

BENGAL ENERGY LTD.

Notice of Annual and Special Meeting of the Shareholders

TO: THE SHAREHOLDERS OF BENGAL ENERGY LTD.

TAKE NOTICE that the Annual and Special Meeting (the "**Meeting**") of the shareholders of Bengal Energy Ltd. ("**Bengal**" or the "**Corporation**") will be held in Great Room 3 at the Sandman Hotel, 888 - 7th Avenue S.W., Calgary, Alberta on September 20, 2016 at 10:00 a.m. (Calgary time) for the following purposes:

1. To receive and consider the financial statements of the Corporation for the year ended March 31, 2016, the auditors' report thereon and the report of the board of directors of the Corporation;
2. To fix the number of directors to be elected at the Meeting at seven (7);
3. To elect the directors of the Corporation for the ensuing year;
4. To appoint auditors and to authorize the directors to fix their remuneration as such;
5. To consider, and if thought advisable, to pass with or without variation, an ordinary resolution, the full text of which is set forth in the accompanying information circular – proxy statement dated August 19, 2016 (the "**Information Circular**"), to approve all unallocated options issuable under the Corporation's option plan for a three-year period, all as more particularly described in the Information Circular; and
6. To transact such other business as may properly be brought before the Meeting or any adjournments thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the Information Circular which accompanies and forms part of this Notice.

Shareholders are cautioned that the use of the mail to transmit proxies is at each shareholder's risk.

A Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment or postponement thereof to the Corporation's transfer agent Computershare Trust Company of Canada ("Computershare"): (i) by mail using the enclosed return envelope or an envelope addressed to Computershare, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1; (ii) by hand delivery to Computershare, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1; (iii) by telephone at 1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America); or (iv) a shareholder may vote through the Internet. If a shareholder wishes to vote through the Internet, please go to www.investorvote.com and follow the instructions. Shareholders will require the 15-digit control number found at the bottom of the proxy form. In order to be valid and acted upon at the Meeting, forms of proxy must be received by Computershare not less than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) before the time of the Meeting or any adjournment or postponement thereof. The time limit for the deposit of proxies may be waived or extended by the Chairman of the Meeting at his discretion without notice.

Please note that if a registered shareholder appoints a proxy holder and submits their voting instructions and subsequently wishes to change their appointment, such registered shareholder may resubmit their proxy and/or voting direction, prior to the deadline noted above. When resubmitting a proxy, the most recently submitted proxy will be recognized as the only valid one, and all previous

proxies submitted will be disregarded and considered as revoked, provided that the last proxy is submitted by the deadline noted above.

The board of directors of the Corporation has fixed the record date for the Meeting at the close of business on August 19, 2016 (the "**Record Date**"). Only shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote those shares included in the list of shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such shareholder transfers shares after the Record Date and the transferee of those shares, having produced properly endorsed certificates evidencing such shares or having otherwise established that he or she owns such shares before the meeting, demands, that the transferee's name be included in the list of shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such shares at the Meeting.

DATED at Calgary, Alberta, this 19th day of August, 2016.

BY THE ORDER OF THE BOARD OF DIRECTORS

(signed) "*Chayan Chakrabarty*"

Chayan Chakrabarty
President and Chief Executive Officer

BENGAL ENERGY LTD.

Information Circular - Proxy Statement
dated August 19, 2016

for the Annual and Special Meeting of Shareholders
to be held on September 20, 2016

SOLICITATION OF PROXIES

This Information Circular - Proxy Statement is furnished in connection with the solicitation of proxies by the management of Bengal Energy Ltd. (the "Corporation") for use at the annual and special meeting of the shareholders (the "**Shareholders**") of the Corporation (the "**Meeting**") to be held on the 20th day of September 2016 at 10:00 a.m. (Calgary time) in Great Room 3 at the Sandman Hotel, 888 - 7th Avenue S.W., Calgary, Alberta and at any adjournment thereof, for the purposes set forth in the Notice of Annual and Special Meeting.

In order to be effective, the proxy must be deposited with Computershare Trust Company of Canada ("**Computershare**"): (i) by mail using the enclosed return envelope or an envelope addressed to Computershare, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1; (ii) by hand delivery to Computershare, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1; (iii) by telephone at 1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America); or (iv) a Shareholder may vote through the Internet; in each case not less than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) before the time of the Meeting or any adjournment or postponement thereof. If a Shareholder wishes to vote through the Internet, please go to www.investorvote.com and follow the instructions. Shareholders will require the 15-digit control number found on the enclosed Instrument of Proxy. The time limit for the deposit of proxies may be waived or extended by the Chairman of the Meeting at his discretion without notice.

For registered Shareholders who do not receive a physical delivery of the Instrument of Proxy by mail due to a postal disruption as a result of a Canada Post labour disruption or any other cause the Instrument of Proxy for use by registered Shareholders is also available under Bengal's profile at www.sedar.com. In the event of a postal disruption, registered Shareholders who have not received their proxy package and who are not attending in person are encouraged to complete the Instrument of Proxy and return it to Computershare: (i) by fax to 1-888-453-0330 (toll free); or (ii) by courier to Computershare, at 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1. A Shareholder may contact Computershare: (i) by telephone at 1-800-564-6253 (toll free within Canada and United States) or 514-982-7555 (International Direct Dial); or (ii) by internet at www.computershare.com to receive a duplicate Instrument of Proxy. Persons who receive a duplicate Instrument of Proxy should follow the instructions listed on the Instrument of Proxy. In each case, an Instrument of Proxy should be received not less than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) before the time of the Meeting or any adjournment or postponement thereof.

The board of directors of the Corporation (the "**Board**") has fixed the record date for the Meeting at the close of business on August 19, 2016 (the "**Record Date**"). Only Shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote those common shares of the Corporation ("**Common Shares**") included in the list of Shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such Shareholder transfers Common Shares after the Record Date and the transferee of those Common Shares, having produced properly endorsed certificates evidencing such Common Shares or having otherwise established that he or she owns such Common Shares, demands, that the transferee's name be included in the list of Shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such Common Shares at the Meeting.

Unless otherwise stated, the information contained in this Information Circular – Proxy Statement is given as at August 19, 2016.

The instrument appointing a proxy shall be in writing and shall be executed by the Shareholder or the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

The persons named in the enclosed Instrument of Proxy are directors and/or officers of the Corporation. Each Shareholder has the right to appoint a proxyholder other than the persons designated, who need not be a Shareholder, to attend and to act for the Shareholder at the Meeting. To exercise such right, the names of the nominees of management should be crossed out and the name of the Shareholder's appointee should be legibly printed in the blank space provided.

BENEFICIAL HOLDERS OF SHARES

The information set forth in this section is provided to beneficial holders ("**Beneficial Shareholders**") of Common Shares who do not hold their Common Shares in their own name. Beneficial Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of the Corporation and such holder is a Beneficial Shareholder. Such Common Shares will more likely be registered under the name of the Beneficial Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominees for many Canadian brokerage firms). Common Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, the broker/nominees are prohibited from voting Common Shares for their clients. The Corporation does not know for whose benefit the Common Shares registered in the name of CDS & Co. are held.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically provides a scannable voting request form or applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the voting request forms or proxy forms to Broadridge. Often Beneficial Shareholders are alternatively provided with a toll-free telephone number to vote their Common Shares or website address where Common Shares can be voted. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction request or a proxy with a Broadridge sticker on it cannot use that instruction request or proxy to vote Common Shares directly at the Meeting as the proxy must be returned as directed by Broadridge well in advance of the Meeting in order to have the Common Shares voted. Accordingly, it is strongly suggested that Beneficial Shareholders return their completed instructions or proxies as directed by Broadridge well in advance of the Meeting.**

This Information Circular - Proxy Statement and accompanying materials are being sent to both registered Shareholders and Beneficial Shareholders. The Corporation does not send proxy-related materials directly to Beneficial Shareholders and is not relying on the notice-and-access provisions of securities laws for delivery to either registered Shareholders or Beneficial Shareholders. The Corporation will deliver proxy-related materials to nominees, custodians and fiduciaries and they will be asked to promptly forward them to Beneficial Shareholders. If you are a Beneficial Shareholder, your nominee should send you a voting instruction form or proxy form along with this Information Circular - Proxy Statement. The Corporation has elected to pay for the delivery of our proxy-related materials to objecting Beneficial Shareholders.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his or her broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered Shareholder and vote Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered Shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

REVOCABILITY OF PROXY

A Shareholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. If a person who has given a proxy attends personally at the Meeting at which such proxy is to be voted, such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or the Shareholder's attorney authorized in writing deposited either at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof, and upon either of such deposits, the proxy is revoked.

PERSONS MAKING THE SOLICITATION

The solicitation is made on behalf of the management of the Corporation. The costs incurred in the preparation and mailing of the Instrument of Proxy, Notice of Annual and Special Meeting and this Information Circular - Proxy Statement will be borne by the Corporation. In addition to solicitation by mail, proxies may be solicited by personal interviews, telephone or other means of communication and by directors, officers and employees of the Corporation, who will not be specifically remunerated therefore.

EXERCISE OF DISCRETION BY PROXY

The Common Shares represented by proxy in favour of management nominees shall be voted on any ballot at the Meeting and, where the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares shall be voted on any ballot in accordance with the specification so made.

In the absence of such specification, the Common Shares will be voted in favour of the matters to be acted upon. The persons appointed under the Instrument of Proxy furnished by the Corporation are conferred with discretionary authority with respect to amendments or variations of those matters specified in the Instrument of Proxy and Notice of Annual and Special Meeting. At the time of printing this Information Circular - Proxy Statement, management of the Corporation knows of no such amendment, variation or other matter.

MATTERS TO BE ACTED UPON AT THE MEETING

Financial Statements

The audited financial statements of the Corporation for the year ended March 31, 2016, the auditor's report thereon and management's discussion and analysis will be tabled at the Meeting. A copy of the audited financial statements, the auditor's report thereon and management's discussion and analysis for the year ended March 31, 2016 have been mailed to the registered Shareholders.

Election of Directors

At the Meeting, Shareholders will be asked to fix the number of directors to be elected at the Meeting at seven members and to elect seven directors to hold office until the next annual meeting or until their successors are elected or appointed. There are currently seven directors of the Corporation, each of whom retires from office at the Meeting.

Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of an ordinary resolution fixing the number of directors to be elected at the Meeting at seven members and in favour of the election as directors of the seven nominees hereinafter set forth:

Ian J. Towers
Chayan Chakrabarty
Peter D. Gaffney
James B. Howe

Brian J. Moss
Robert D. Steele
W. B. (Bill) Wheeler

Each director will hold office until the next general meeting or until his successor is duly elected or appointed unless his office is vacated.

The Instrument of Proxy provided by management of the Corporation accompanying this Information Circular-Proxy Statement provides for individual voting on directors rather than slate voting. In connection with the adoption of individual voting on directors, the Board has adopted an individual voting standard. Under such individual voting standard, if the "**WITHHOLD**" votes in respect of the election of a director nominee at the Meeting represent more than the "**FOR**" votes, the nominee will submit his resignation promptly after the Meeting, for the Compensation and Governance Committee's consideration. The Compensation and Governance Committee will consider such resignation and will make a recommendation to the Board after reviewing the matter as to whether to accept it or not, having regard to all matters it deems relevant. The Board will consider the recommendation and the Board's decision to accept or reject the resignation will be disclosed to the public within 90 days of the Meeting and the Board may fill any vacancy created thereby. The nominee will not participate in any committee or Board deliberations upon submitting his resignation and the Board's determination in this regard. The policy does not apply in circumstances involving contested director elections.

Advance Notice By-Law

The Corporation's Advance Notice By-Law, which was approved by the Shareholders at the annual and special meeting of Shareholders held on December 18, 2014, will apply to nominations of directors at the Meeting. The purpose of the Advance Notice By-Law is to provide Shareholders, the Board and management of the Corporation with a clear framework for director nominations to help ensure orderly business at Shareholder meetings.

Among other things, the Advance Notice By-Law requires that a Shareholder wishing to nominate a candidate for election as a director of the Corporation at an annual meeting of Shareholders must provide notice to the Chief Executive Officer of the Corporation not less than 30 days and not more than 65 days prior to the date of the annual meeting; provided, however, that in the event that the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the 10th day following such public announcement. In the case of a special meeting of Shareholders (which is not also an annual meeting), notice to the Corporation must be made not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made.

The Advance Notice By-Law also specifies the information and accompanying documentation that a nominating Shareholder must provide with respect to the nominating Shareholder and the nominee for the notice to be effective. No person nominated by a Shareholder will be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of the Advance Notice By-law. The Board may, in its sole discretion, waive any requirement of the Advance Notice By-law. A copy of the Advance Notice By-Law is available on the Corporation's SEDAR profile at www.sedar.com.

Directors Nominees

The names and residence of the persons nominated for election as directors, the number of voting securities of the Corporation beneficially owned or controlled or directed, directly or indirectly, the offices held by

each in the Corporation, the period served as director and the principal occupation and background of each are set forth below. The information as to Common Shares beneficially owned or controlled or directed, directly or indirectly, is based upon information furnished to the Corporation by the nominees.

Name, Province/Country of Residence and Present Office Held	Principal Occupation for Past Five Years	Director Since	Number of Shares Beneficially Held⁽⁴⁾⁽⁵⁾
Ian J. Towers ⁽³⁾ Calgary, Alberta, Canada Director (Chairman)	Independent businessman since April 2015. Prior thereto, President, Chief Executive Officer and a Director of Dolomite Energy Inc. from February 2005 to April 2015.	November 14, 2005	154,100
Chayan Chakrabarty Calgary, Alberta, Canada President, Chief Executive Officer and Director	Appointed Chief Executive Officer of Bengal on November 26, 2010. President of Bengal since February 13, 2008. Director of AWEL Global Limited, a U.A.E. based private oil and gas company, since July 2015.	February 13, 2008	1,383,415
Peter D. Gaffney ⁽²⁾⁽³⁾ Alton, Hampshire, United Kingdom Director	Independent advisor to international oil and gas industry. Director of Dominie Enterprises Ltd. from November 2005 to present. Director of Upfolds Ltd., a United Kingdom company, from September 2013 to July 2016.	January 30, 2011	1,639,286
James B. Howe ⁽¹⁾ Calgary, Alberta, Canada Director	From January 1982 to present, President of Bragg Creek Financial Consultants Ltd. (a private financial consulting corporation). Director of Ensign Energy Services Inc. and Pason Systems Inc.	November 14, 2005	390,000
Dr. Brian J. Moss ⁽²⁾⁽³⁾ Calgary, Alberta, Canada Director	Executive Vice President and Chief Operating Officer Crown Point Energy Inc. (formerly Crown Point Ventures Ltd.), a public oil and gas company, since June 2012. Director of Crown Point Energy Inc. from May 2012 to April 2015. From January 2008 to May 2012, Executive Vice President (Latin America) of Antrim Energy Inc. Director of Antrim Energy Inc. from April 2006 to June 2012.	January 6, 2012	1,500
Robert D. Steele ⁽¹⁾⁽³⁾ Calgary, Alberta, Canada Director	Independent businessman. On the Board of Directors of Raise Production Inc. (formerly Global Energy Services Ltd.) from June 2011 to October 2015. Director of Marquee Energy Ltd (formerly Skywest Energy Ltd.) from June 2010 to June 2013. From 2001 to the May 2011 sale, a Director and Chairman of Technicoil Corporation. Chairman and founding Chief Executive Officer of Berens Energy Ltd. from February 2002 to the sale in March 2010.	August 27, 2010	1,962,529

Name, Province/Country of Residence and Present Office Held	Principal Occupation for Past Five Years	Director Since	Number of Shares Beneficially Held ⁽⁴⁾⁽⁵⁾
William (Bill) Wheeler ⁽¹⁾ Vancouver, British Columbia, Canada Director	Private investor. Co-founder of Leith Wheeler Investment Counsel Ltd. Director of Azabache Energy Inc. from June 2010 to January 2014. President of Texada Capital Management Ltd., a private investment company, since September 2011.	January 6, 2012	13,690,241

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Reserves Committee.
- (3) Member of the Compensation and Governance Committee.
- (4) The Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at the date hereof, is based upon information furnished to the Corporation by the above individuals. The information above does not include options to purchase Common Shares ("**Options**").
- (5) In addition, as at the date hereof, each of the above nominees holds the following additional securities: Mr. Towers – 265,000 Options; Mr. Chakrabarty – 590,000 Options; Mr. Gaffney – 275,000 Options; Mr. Howe – 265,500 Options; Dr. Moss – 275,000 Options; Mr. Steele – 255,000 Options; Mr. Wheeler – 65,000 Options.

As at August 19, 2016, the directors and executive officers of the Corporation own, control or direct, directly or indirectly, 19,234,671 Common Shares representing 28% of the issued and outstanding Common Shares.

Unless otherwise directed, it is the intention of the management designees, if named as proxy, to vote proxies in the accompanying form in favour of the ordinary resolution fixing the number of directors at seven and the election of the nominees set forth above, as a group, as directors for the ensuing year. However, if for any reason any of the proposed nominees does not stand for election or is unable to serve as such, the management designees, if named as proxy, reserve the right to vote for any other nominee in their sole discretion unless the Shareholder specified that their Common Shares are to be withheld from voting on the election of directors.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To our knowledge, other than as disclosed below, no proposed director: (i) is, or has been in the last 10 years, a director, chief executive officer or chief financial officer of an issuer (including the Corporation) that, (a) while that person was acting in that capacity was the subject of a cease trade order or similar order or an order that denied the issuer access to any exemptions under securities legislation, that was in effect for a period of more than 30 consecutive days (collectively, an "**order**"), or (b) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; (ii) is, or has been in the last 10 years, a director or executive officer of an issuer (including the Corporation) that while that person was acting in such capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; (iii) has, within the last 10 years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromises with creditors, or had a receiver, receiver manager or trustee appointed to hold his or her assets; or (iv) has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Dr. Moss was an independent director of Richards Oil & Gas Limited ("**Richards**") which was listed on the TSX Venture Exchange (the "**TSXV**") when it faced severe liquidity problems in early 2010 as a result the collapse in natural gas prices, causing its senior lender to enforce its security. Richards was issued cease trade orders by the Alberta Securities Commission ("**ASC**"), British Columbia Securities Commission and Ontario Securities Commission ("**OSC**") on May 7, 2010, May 11, 2010, and May 26, 2010, respectively, for failing to make required annual continuous disclosure filings for the year ended December 31, 2009. Richards was granted protection from its creditors under the *Bankruptcy and Insolvency Act* ("**BIA**") on May 5, 2010. The shares of Richards were de-listed from the TSXV on July 9, 2010 for failure to pay corporate sustaining fees. Richards filed a proposal under the BIA on September 24, 2010 naming Alger & Associates Inc. as the trustee, which was accepted by the Richards creditors on September 24, 2010 and the Alberta Court of Queen's Bench on October 22, 2010. The cease trade orders by the ASC and OSC were varied in December 2010 to allow certain trades as part of the proposal. After assisting Richards with its successful restructuring process, Dr. Moss, along with the rest of the board of directors for Richards, resigned on December 31, 2010.

Mr. Wheeler was a director of Azabache Energy Inc. ("**Azabache**") when the company was subject to a cease trade order by the ASC dated November 5, 2010 for failure to file annual audited financial statements within the time frame allowed. Azabache subsequently filed its annual audited financial statements and the order was lifted by the ASC on December 16, 2010.

Appointment of Auditors

Unless otherwise directed, it is the intention of the management nominees, if named as proxy, to vote the proxies in favour of an ordinary resolution to re-appoint the firm of KPMG LLP, Chartered Accountants, to serve as auditors of the Corporation until the next annual meeting of the Shareholders and to authorize the directors to fix their remuneration as such. KPMG LLP has been the Corporation's auditors since 1997.

Approval of Unallocated Options

The policies of the Toronto Stock Exchange (the "**TSX**") require that Shareholders must approve all unallocated Options under the Corporation's stock option plan (the "**Option Plan**") every three years. The Corporation's previous approval of unallocated Options expires on September 25, 2016.

Therefore, at the Meeting, Shareholders will be asked to approve an ordinary resolution approving the unallocated Options under the Option Plan.

When Options have been granted pursuant to the Option Plan, Common Shares that are reserved for issuance under an outstanding Option are referred to as "allocated options". The Corporation has additional Common Shares that may be issued under the Option Plan, but as they are not subject to current Option grants, they are referred to as "unallocated options". As of the date hereof, the Corporation has Options to purchase 3,787,500 Common Shares (equal to approximately 5.6% of the Corporation's issued and outstanding Common Shares as of the date hereof) outstanding under the Option Plan, leaving unallocated Options to purchase an aggregate of 3,030,280 Common Shares (equal to approximately 4.4% of the Corporation's issued and outstanding Common Shares as of the date hereof) available for future grants based on the number of outstanding Common Shares as of the date hereof.

At the Meeting, Shareholders will be asked to approve an ordinary resolution in the following form approving all unallocated Options issuable under the Option Plan:

"BE IT RESOLVED, AS AN ORDINARY RESOLUTION OF THE SHAREHOLDERS OF BENGAL ENERGY LTD. (THE "**CORPORATION**"), that all unallocated options issuable under the Corporation's stock option plan be approved until the third anniversary of the date that this resolution is passed, being September 20, 2019."

Pursuant to the requirements of the TSX, the foregoing resolution must be approved by a simple majority of the votes cast at the Meeting by the Shareholders voting in person or by proxy at the Meeting.

Currently outstanding Options will be unaffected if this resolution is not approved, but currently outstanding Options which have been exercised or that have expired or been cancelled will not be available for re-grant and the Board will not be able to grant new Options if the unallocated Options are not approved.

Unless otherwise directed, it is the intention of the persons named in the enclosed Instrument of Proxy, if named as proxy, to vote for approval of the foregoing resolution approving all unallocated Options under the Option Plan.

INFORMATION CONCERNING THE CORPORATION

Voting Shares and Principal Holders Thereof

The Common Shares are the only securities entitled to be voted at the Meeting and each Common Share is entitled to one vote per Common Share. As at August 19, 2016, there were 68,177,796 Common Shares of the Corporation issued and outstanding, each such share carrying the right to one vote on a ballot at the Meeting. A quorum for the transaction of business at the Meeting will be present if there are not less than two persons present at the Meeting, in person or by proxy, representing not less than 5% of the Common Shares entitled to be voted at the Meeting. The Board has fixed the record date for the Meeting at the close of business on August 19, 2016.

The Corporation is authorized to issue an unlimited number of Common Shares. The Corporation is also authorized to issue an unlimited number of preferred shares, none of which are issued. In addition, as at August 19, 2016, there are 3,787,500 Options outstanding under the Option Plan.

To the knowledge of the directors and senior officers of the Corporation, as at the date hereof, no person or company beneficially owned or controlled or directed, directly or indirectly, voting securities of the Corporation carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation other than as set forth below.

Name	Number of Common Shares	Percent of Outstanding
William (Bill) Wheeler	13,690,241 ⁽¹⁾	20.08%

Note:

- (1) 2,020,400 Common Shares are directly owned by Mr. Wheeler, 2,152,800 Common Shares are beneficially owned by Mr. Wheeler's spouse and 9,517,041 Common Shares are beneficially owned by Texada Capital Management Ltd., a company controlled by Mr. Wheeler.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Objectives of the Compensation Program

The Compensation and Governance Committee is responsible for setting the overall compensation strategy of the Corporation and administering the Corporation's executive compensation program. As part of its mandate, the Compensation and Governance Committee approves the appointment and remuneration of the Corporation's executive officers, including the Named Executive Officers or NEOs (each as defined herein)

identified in the Summary Compensation Table. The Compensation and Governance Committee is also responsible for reviewing the Corporation's compensation policies and guidelines generally.

The objective of the executive compensation program is to engage senior management by motivating and rewarding corporate, individual or Shareholder success. It is designed to ensure that compensation is commensurate with the experience, performance and contribution of the individuals involved and the overall performance of the Corporation.

The Corporation believes that a competitive, goal-oriented compensation policy is critically important to the creation of value for Shareholders. To that end, the Corporation has created an incentive compensation program intended to reward performance. The goals of the compensation program are to align compensation with the successful accomplishment of business objectives and performance to enable the Corporation to attract and retain high quality executive officers and other key employees, reward them for the Corporation's progress and motivate them to enhance long-term stockholder value. The compensation program is intended to implement the following principles:

- Compensation should be related to the value created for Shareholders.
- The compensation program should be tied to short-term and long-term strategic goals and the Corporation's corporate objectives.
- The compensation program should reflect and promote the Corporation's values and reward individuals for contributions to the Corporation's success.
- The Corporation's compensation program should be designed to attract and retain well-qualified executives.

In evaluating performance, the Compensation and Governance Committee gives consideration to the Corporation's long-term interests and quantitative financial objectives, as well to the qualitative aspects of the individual's performance and achievements. In addition, the Compensation and Governance Committee will receive and review recommendations of the Chief Executive Officer ("CEO") relating to the general compensation structure and policies and programs for the Corporation and the salary and benefit levels for the executive officers. Although compensation opportunities are based in part upon individual contribution, the actual amounts earned by executives in cash bonuses and equity compensation awards are also based upon the overall performance of the Corporation.

During the course of its review of the Corporation's compensation policies and practices, the Compensation and Governance Committee considers the risks associated with such policies and practices. In that regard, the committee has determined that the compensation policies do not create an environment where a NEO or any other individual is encouraged to take excessive risk, but rather encourage, and reward prudent business judgement and appropriate risk taking over the short and long-term without creating risk that is reasonably likely to have a material adverse impact on the Corporation.

The Corporation does not have a policy restricting the ability of an executive officer or a director from purchasing financial instruments (including pre-paid variable forward contracts, equity swaps, collars, or units of exchange funds) that are designed to hedge or offset a decrease in market value of equity securities (or Options in respect thereof) granted as compensation or held, directly or indirectly, by the executive officer or director. During the financial year ending March 31, 2016, none of the Named Executive Officers or directors purchased such financial instruments.

Elements of Compensation

The executive compensation program is comprised of three principal components: (i) base salaries; (ii) a bonus plan; and (iii) equity-based compensation (including Options and an employee share purchase plan), which are designed to provide a combination of cash and equity-based compensation to effectively retain

and motivate the executive officers to achieve the corporate goals and objectives. Each component of the executive compensation program is described below.

Base Salaries

The base salary compensation of the Named Executive Officers was previously established at the time the Corporation entered into employment contracts with such officers. The Compensation and Governance Committee reviews the base compensation of the Named Executive Officers on a regular basis.

The Named Executive Officers are paid a base salary to compensate them for providing the leadership and specific skills needed to fulfill their responsibilities. The base salaries for the executive officers are continuously reviewed by the Compensation and Governance Committee. The Corporation's approach to base salary compensation is to offer salaries which are targeted at the competitive median for similar Canadian internationally focused junior oil and gas companies to attract and retain high quality individuals. Salaries are also meant to reflect a particular executive's level of responsibility, experience and expertise. For the purpose of establishing these levels, the Compensation and Governance Committee reviews publicly available competitive market data, including salaries for comparable positions in other public Canadian junior oil and gas exploration companies and draws on each director's experience with publicly listed companies. Salaries of the NEOs are not determined based on benchmarks or a specific formula. The Compensation and Governance Committee submits its recommendation to the full Board to determine the salary of the CEO. The Compensation and Governance Committee considers the salaries recommended by the CEO for the other executive officers of the Corporation and then submits its recommendation to the full Board to determine the salary of the other executives.

Based upon its reviews of relevant industry data, the Compensation and Governance Committee determined that the base salaries of the NEOs were appropriate and necessary to attract individuals of such high calibre within the oil and gas industry for the financial year ended March 31, 2016. The Compensation and Governance Committee reviews the salaries of the CEO and other executive officers annually. Salaries may be increased based upon the individual's performance and contribution as well as increases in competitive pay levels.

Bonus Plan

In addition to base salaries, the Board may award discretionary cash bonuses to employees of the Corporation, including executive officers. The Corporation does not have a formal bonus plan nor are bonuses paid in relation to any formula or specific criteria. The basis for the Corporation's overall bonus pool and individual allocation is a result of a subjective determination based on, in the case of non-executive employees, the employee's contribution to adding share value and reducing costs and the employee's contribution to overall corporate goals. In the case of executive officers, including the CEO, bonus awards are discretionary and, while there are no specific targets or criteria set out, metrics such as share price, cash flow per share, income per share, net asset value per share, reserve replacement costs and production levels are considered.

The Board, upon recommendation of the Compensation and Governance Committee, will approve bonus payments to NEOs. The bonus pool will be determined by the Compensation and Governance Committee and following that, management will determine the amount to be paid to each employee and then such allocation of the bonus pool will be presented to the Compensation and Governance Committee for approval, who then submits its recommendation to the full Board for approval. The Corporation maintains a bonus pool for Named Executives Officers separate to that bonus pool for other employees of the Corporation. During the fiscal year ended March 31, 2016, no bonuses were paid to NEOs.

Equity Based Compensation

The Corporation has adopted the Option Plan pursuant to which Options may be granted to directors, officers, employees and consultants of the Corporation. The Option Plan is designed, through the grant of

Options, to reward key individuals in relation to the share price of the Corporation. The Option Plan is an integral component of the Corporation's total compensation program in terms of attracting and retaining key employees and enhances Shareholder value by aligning the interests of executives and employees with the growth and profitability of the Corporation. The long-term focus of the Option Plan complements and balances the short-term elements of the compensation program of the Corporation.

Pursuant to the Option Plan, the Board may, on the recommendation of the Compensation and Governance Committee, grant from time to time, to directors, officers, employees and consultants of the Corporation, Options. In determining the number of Options to be granted to the executive officers, the Compensation and Governance Committee considers the amount, terms and vesting levels, including certain performance based vesting parameters, of existing Options held by the officers and also the number of Options remaining available for grant by the Corporation in the future to attract and retain qualified technical and administrative staff. Generally, the number of Options granted to any optionee is a function of the level of authority and responsibility of the optionee, the contribution that has been made by the optionee to the business and affairs of the Corporation, the number of Options that have already been granted to the optionee and such other factors as the Compensation and Governance Committee may consider relevant. Please refer to "*Incentive Plan Award – Stock Option Plan*" for further details regarding the Option Plan.

The executive officers participate with all employees in the benefit plans provided by the Corporation. There are no special supplemental pension or benefit plans in place for any of the executive officers. The Corporation has an employee stock purchase plan in place for all employees, including the executive officers, where the Corporation will match purchases of the Common Shares to a maximum of 10% of such employee's base salary. The purpose of this plan is to assist all employees in the accumulation of value for retirement savings or other purposes.

Role of the Compensation and Governance Committee

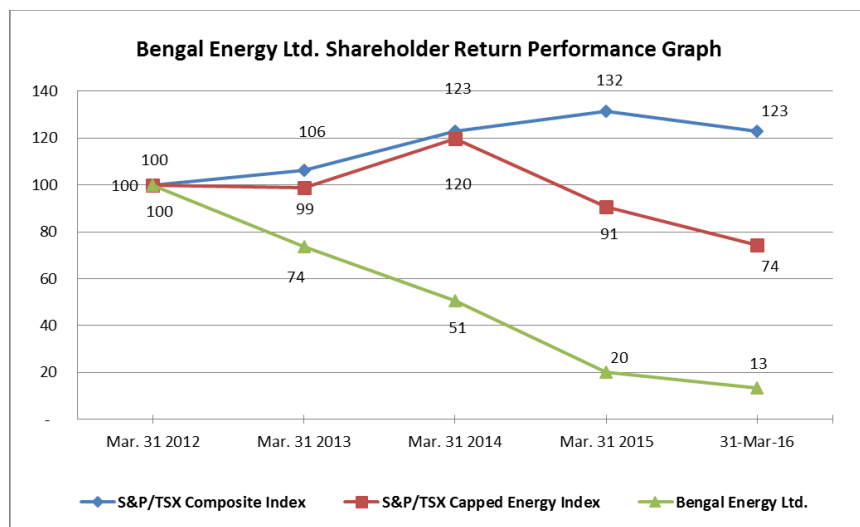
The Compensation and Governance Committee consists of Robert D. Steele (Chairman), Peter D. Gaffney, Brian J. Moss and Ian J. Towers. All of the members of the Compensation and Governance Committee are independent within the meaning of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**") and are knowledgeable with respect to compensation programs and levels. The members of the Compensation and Governance Committee have extensive experience in executive compensation, particularly within the oil and gas industry, through their careers as business executives, directors and advisors, and, as such, the Board is satisfied that the members of the committee have the knowledge and experience to effectively perform their responsibilities.

The Compensation and Governance Committee meets from time to time during the year for the purpose of, among other things, reviewing the overall employee and executive officer compensation and benefits program and recommending the approval of any proposed changes to these programs to the full Board. The Compensation and Governance Committee makes specific recommendations to the Board on Option grants and other share incentive rights allocations, if any, bonuses, employee savings plan contributions and directors' compensation. The Compensation and Governance Committee ensures the total compensation package facilitates the attraction and retention of a strong executive management team and employees. The Board reviews all recommendations of the Compensation and Governance Committee relating to compensation matters before final approval. See Schedule "A" attached hereto for additional information concerning the Compensation and Governance Committee.

At no time in the previous two completed financial years of the Corporation has a compensation consultant or advisor been formally retained by the Corporation to assist the Board or the Compensation and Governance Committee to determine the compensation of the directors or executive officers of the Corporation.

Performance Graph

The Common Shares trade on the TSX under the stock symbol "BNG". Prior to November 1, 2007, the Common Shares traded on the TSX Venture Exchange. The following graph compares the cumulative total Shareholder return of the Common Shares with the cumulative Shareholder return of the S&P/TSX Composite Index (formerly the TSE 300 Composite Index), and the S&P/TSX Capped Energy Index for each of the last five years ended March 31, 2016 (see Note (1) below).



Note:

- (1) Assumes that the initial value of the investment in the Common Shares, in the S&P/TSX Composite Index and the S&P/TSX Composite Capped Energy Index was \$100 on March 31, 2012.

The following table shows the value of \$100 invested in Common Shares on March 31, 2012 compared to \$100 invested in the S&P/TSX Composite Index and the S&P/TSX Capped Energy Index⁽¹⁾:

	<u>March 2012</u>	<u>March 2013</u>	<u>March 2014</u>	<u>March 2015</u>	<u>March 2016</u>
S&P/TSX Composite Index	\$100	\$106	\$123	\$132	\$123
S&P/TSX Capped Energy Index	\$100	\$99	\$120	\$91	\$74
Bengal Energy Ltd.	\$100	\$74	\$51	\$20	\$13

Note:

- (1) Assuming reinvestment of dividends/distributions. All amounts in Canadian \$.

NEO compensation is defined as the aggregate of base salary, annual bonuses (if any), Options, and any other miscellaneous types of benefits that may periodically be granted to an NEO. As described under "*Compensation Discussions and Analysis*", base salaries reflect each executive officer's primary duties and responsibilities and are set at levels based on responsibility, experience and expertise. Options granted pursuant to the Option Plan form a significant portion of compensation, and therefore total compensation for the NEOs is affected by increases or decreases in the price of the Common Shares as the value of Options changes as the Corporation's share price changes. In January 2012, salaries for the CFO and CEO were moderately increased as a cost of living adjustment. In July 2013, salaries were increased for the Named Executive Officers based on a comprehensive compensation review conducted by the Compensation and Governance Committee with reference to independent assessment of compensation and

market benchmarks. In response to prevailing market conditions and Common Share devaluation, there were no bonuses awarded during the fiscal year ended March 31, 2014. During the fiscal year ended March 31, 2015, each of Messrs. Richard Edgar and Jerrad Blanchard were paid special bonuses in the amounts of \$30,000 and \$25,000, respectively related to the achievement of specific corporate objectives; however, due to prevailing market conditions no other bonuses were paid and no changes to the base salaries of NEOs were made. There were no base salary increases or other bonuses paid to the Named Executive Officers during the fiscal year ended March 31, 2016, as a result of continued weak market conditions. Notwithstanding the foregoing, the price of the Common Shares may be affected by various factors not related to the results of the Corporation such as changes to commodity prices and general economic conditions.

Option-based Awards

The process the Corporation follows in respect of the grant of option-based awards is set out under "Compensation Discussion and Analysis – Elements of Compensation/Equity Based Compensation".

Summary Compensation Table

The term "Named Executive Officer" or "NEO" is defined in Form 51-102F6 - *Statement of Executive Compensation*, and includes (a) the CEO; (b) the Chief Financial Officer ("CFO"); (c) each of the two most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was individually more than \$150,000 for that financial year; and (d) each individual who would be a Named Executive Officer under (c) but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of that financial year.

The following table sets forth all annual and long-term compensation for the past three fiscal years paid in respect of Chayan Chakrabarty, President and CEO, Jerrad Blanchard, CFO, Richard Edgar, Executive Vice President, Gordon MacMahon, Vice President Exploration and Paul Piovoso, Senior Geologist (collectively, the "Named Executive Officers" or "NEOs").

Name and Principal Position	Year Ended March 31	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽¹⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$) ⁽²⁾	Total compensation (\$) ⁽³⁾
					Annual Incentive plans	Long-term Incentive plans			
Chayan Chakrabarty ⁽⁴⁾ President and CEO	2016	230,000	Nil	19,915	Nil	Nil	Nil	Nil	249,915
	2015	230,000	Nil	Nil	Nil	Nil	Nil	Nil	230,000
	2014	218,750	Nil	66,850	Nil	Nil	Nil	Nil	285,600
Jerrad Blanchard CFO	2016	180,000	Nil	14,225	Nil	Nil	Nil	Nil	194,225
	2015	180,000	Nil	Nil	25,000	Nil	Nil	Nil	205,000
	2014 ⁽⁵⁾	60,000	Nil	40,475	Nil	Nil	Nil	Nil	100,475
Richard Edgar Executive Vice President	2016	171,567	Nil	8,535	Nil	Nil	Nil	Nil	180,102
	2015	171,160	Nil	Nil	30,000	Nil	Nil	Nil	201,160
	2014	168,260	Nil	28,650	Nil	Nil	Nil	Nil	196,910
Gordon MacMahon Vice President, Exploration	2016	180,000	Nil	17,070	Nil	Nil	Nil	Nil	197,070
	2015	180,000	Nil	Nil	Nil	Nil	Nil	Nil	180,000
	2014	175,000	Nil	47,750	Nil	Nil	Nil	Nil	222,750
Paul Piovoso Sr. Geologist	2016	169,740	Nil	8,535	Nil	Nil	Nil	Nil	178,275
	2015	169,740	Nil	Nil	Nil	Nil	Nil	Nil	169,740
	2014 ⁽⁶⁾	35,363	Nil	24,285	Nil	Nil	Nil	Nil	59,648

Notes:

- (1) Represents the grant date fair value for Options granted in the years ended March 31, 2016 and March 31, 2014, respectively. Fair value is estimated using the Black-Scholes option pricing model. Key assumptions used in the pricing model for 2016 and 2014, respectively were: (i) an exercise price of: \$0.18 for Options granted on July 30, 2015, \$0.465 for Options granted on January 21, 2014, \$0.65 for the Options granted July 11, 2013, \$0.58 for the Options granted December 21, 2012, \$1.32 for the Options granted June 20, 2011, \$1.25 for the Options granted September 21, 2012, \$1.15 for the Options granted March 12, 2012; (ii) dividend yield: 2016 – nil and 2014 – nil; (iii) expected volatility: 2016 – 78% and 2014 – 73%; (iv) risk-free interest: 2016 – 1.5% and 2014 – 2%; (v) forfeiture rate: 2016 – nil% and 2014 – 7.1%; and (vi) weighted average life: 2016 – 5 years and 2014 – 5 years. The Black-Scholes methodology was selected due to its acceptance as an appropriate valuation model used by similar sized oil and gas companies. No Options were granted during the year ended March 31, 2015.
- (2) The value of perquisites and benefits for each Named Executive Officer is calculated using the actual cost to the Corporation. No Named Executive Officer received perquisites that were not generally available to all employees amounting to more than either 10% of their total salary or \$50,000.
- (3) In addition to the compensation set forth above, all employees of the Corporation are entitled to: (i) participate in the Corporation's employee health benefits plan; (ii) a parking and gym membership allowance; and (iii) participate in the employee share purchase plan pursuant to which an employee can contribute up to 10% of his/her annual salary and the Corporation will match the contribution.
- (4) Mr. Chakrabarty was appointed CEO on November 26, 2010 and is also a member of the Board. However, no additional compensation is paid in respect to his duties as a director.
- (5) Mr. Blanchard was appointed CFO effective December 1, 2013. The amount of salary reflects the actual amount of salary paid to Mr. Blanchard for the year ended March 31, 2014. If Mr. Blanchard had been an NEO for the entire fiscal year ending March 31, 2014, he would have received \$180,000.
- (6) Mr. Piovoso was hired as Senior Geologist of the Corporation on January 16, 2014. The amount of salary for the year ended March 31, 2014 reflects the actual amount of salary paid to Mr. Piovoso for that year. If Mr. Piovoso had been an NEO for the entire fiscal year ending March 31, 2014, he would have received a salary of \$169,740.
- (7) For a description of the employment agreements between the Corporation and each of Messrs. Chakrabarty, Blanchard, MacMahon and Piovoso, see "*Termination and Change of Control Benefits*" below.

Incentive Plan Awards***Outstanding Share Based Awards and Option-based Awards***

The following table sets forth information in respect of all share-based awards and option-based awards outstanding at the end of the financial year ended March 31, 2016 to the Named Executive Officers of the Corporation. There were no share based awards outstanding at March 31, 2016.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$/per share)	Option expiration date ⁽¹⁾	Value of unexercised in-the-money options ⁽²⁾ (\$)	Number of Common Shares or units that have not vested (#)	Market or payment value of share-based awards that have not vested (\$)	Market or payout-value of vested share-based awards not paid out or distributed (\$)
Chayan Chakrabarty	175,000	\$0.65	July 11, 2018	Nil	Nil	Nil	Nil
	140,000	\$0.58	December 21, 2017	Nil			
	100,000	\$1.15	March 12, 2017	Nil			
	187,500	\$1.32	June 20, 2016	Nil			
	175,000	\$0.18	July 30, 2020	Nil			
Jerrad Blanchard	125,000	\$0.465	January 21, 2019	Nil	Nil	Nil	Nil
	125,000	\$0.18	July 30, 2020	Nil			
Richard Edgar	75,000	\$0.65	July 11, 2018	Nil	Nil	Nil	Nil
	75,000	\$0.58	December 21, 2017	Nil			
	50,000	\$1.15	March 12, 2017	Nil			
	60,000	\$1.32	June 20, 2016	Nil			
	75,000	\$0.18	July 30, 2020	Nil			
Gordon MacMahon	125,000	\$0.65	July 11, 2018	Nil	Nil	Nil	Nil
	125,000	\$0.58	December 21, 2017	Nil			

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$/per share)	Option expiration date ⁽¹⁾	Value of unexercised in-the-money options ⁽²⁾ (\$)	Number of Common Shares or units that have not vested (#)	Market or payment value of share-based awards that have not vested (\$)	Market or payout-value of vested share-based awards not paid out or distributed (\$)
	100,000	\$1.15	March 12, 2017	Nil			
	200,000	\$1.25	September 21, 2016	Nil			
	150,000	\$0.18	July 30, 2020	Nil			
Paul Piovoso	75,000	\$0.465	January 21, 2019	Nil	Nil	Nil	Nil
	75,000	\$0.18	July 30, 2020	Nil			

Notes:

- (1) Normal expiration date of the Options, which may be subject to extension in accordance with the Option Plan in the event of a black-out period being imposed at the expiration date.
- (2) Calculated based on the difference between the closing price on the TSX of the Common Shares on March 31, 2016 of \$0.125 and the exercise price of the Options.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth information relating to the value vested or earned during the Corporation's financial year ended March 31, 2016 in respect of option-based awards, share-based award and non-equity incentive plan compensation for Named Executive Officers of the Corporation.

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Share-based awards- Value vested during the year (\$)	Non-equity incentive plan – Value earned during the year (\$)
Chayan Chakrabarty	Nil	Nil	Nil
Jerrad Blanchard	Nil	Nil	Nil
Richard Edgar	Nil	Nil	Nil
Gordon MacMahon	Nil	Nil	Nil
Paul Piovoso	Nil	Nil	Nil

Note:

- (1) Calculated by multiplying the number of Common Shares in respect of which vesting occurred in the year ended March 31, 2016 by the difference between the closing price of the Common Shares on the TSX on the vesting date and the exercise price of the Options on the vesting date.

The Options which vested in the year ended March 31, 2016 were granted under the Corporation's Option Plan which is described below. The process followed by the Corporation for the grant of Options referred to above is described under "*Compensation Discussion Analysis – Elements of Compensation – Equity Based Compensation*".

Stock Option Plan

The Corporation has adopted the Option Plan, which was amended by the Board on August 10, 2011 which amendments were approved by the Shareholders on September 14, 2011, and as further amended by the Board on June 13, 2014 which amendments were approved by the Shareholders on December 18, 2014.

The Option Plan provides that the Board may from time to time, in its discretion, and in accordance with the requirements of the TSX, grant to directors, officers, employees and consultants to the Corporation or its subsidiaries, Options not to exceed 10% of the issued and outstanding Common Shares of the Corporation. Options granted pursuant to the Option Plan have a term not to exceed five years, unless the

Corporation receives permission from the exchange on which the Common Shares are then listed, provided that in any case the term of an Option shall not exceed ten years, and vest in such manner as determined by the Board at the time of the grant. The exercise price of an Option granted pursuant to the Option Plan is determined by the Board at the time of the grant, in accordance with the rules of the TSX, provided that in no event shall such exercise price be lower than the closing market price at the time of the grant. Options granted under the Option Plan are generally not assignable and during the lifetime of an optionee, may only be exercised by the optionee. In connection with the foregoing, the number of the Common Shares reserved for issuance to: (a) any participant will not exceed five percent (5%) of the issued and outstanding Common Shares in any twelve month period unless the Corporation has obtained disinterested Shareholder approval in respect of such grants and meets applicable Exchange requirements; (b) any consultants will not exceed two percent (2%) of the issued and outstanding Common Shares in any twelve month period; (c) all persons employed to perform investor relation activities will not exceed two percent (2%) of the issued and outstanding Common Shares in any twelve month period provided that such Options will contain vesting provisions that such vesting occurs over at least 12 months with no more than 1/4 of the Options vesting in any three month period; (d) all non-employee directors shall not exceed 3% of the issued and outstanding Common Shares; and (e) insiders, at any time, under all share compensation arrangements shall not exceed ten percent (10%) of the issued and outstanding Common Shares in any twelve month period. In addition: (i) the number of securities issued to insiders, within any one year period, under all share compensation arrangements shall not exceed 10% of the issued and outstanding Common Shares; and (ii) the aggregate value of Options granted to any one non-employee director in any 12-month period cannot exceed \$100,000. Options may be exercised no later than 90 days following cessation of the optionee's position with the Corporation unless the optionee was engaged in investor relation activities, in which case such exercise must occur within 30 days following the cessation of the optionee's position with the Corporation, provided that if the cessation of office, directorship, or consulting arrangement was by reason of death, the Option may be exercised within a maximum period of one year after such death, subject to the expiry date of such Option.

The Option Plan also provides for the extension of the expiry date of any Option which would otherwise expire during a "black-out period" for two trading days from the date that any "black-out period" ends.

The Option Plan provides that the Board may, subject to receipt of requisite regulatory approval, in its sole discretion and without further approval of the Shareholders, make amendments to the Option Plan or any Option granted thereunder including but not limited to: amendments of a "housekeeping" nature; a change to the vesting provisions of an Option or the Option Plan; a change to the termination provisions of an Option or the Option Plan which does not entail an extension beyond the original expiry date; suspending, terminating or discontinuing the Option Plan; the addition of restrictions in the Option Plan on the extent of the overall participation by insiders in the Corporation's share compensation arrangements; the addition of provisions relating to phantom share units, such as restricted share units and deferred share units, which result in the participants receiving cash payments, and the terms governing such features; and the addition of a cashless exercise feature payment in cash or securities, which provides for a full deduction of the number of underlying securities from the Option Plan reserved; provided that Shareholder approval will be obtained to the extent such approval is required by applicable laws or regulations or the terms of the Option Plan (Section 17 of the Option Plan specifies certain amendments that require Shareholder approval).

The Option Plan currently contains a cashless exercise feature which allows a holder of Options to dispose of his or her vested, unexercised Options or any of them to the Corporation in exchange for the issuance of Common Shares equal to the number determined by dividing the closing market price of the Common Shares on the TSX prior to the date of surrender of such Option (the "**Market Price**"), into the difference between the Market Price and the exercise price of such Option.

The Option Plan provides that only with approval by the Shareholders, can the following amendments be made to the Option Plan: (i) reduce the exercise price of any Option issued under the Option Plan; (ii) increase the maximum amount of securities that may be issued to insiders; (iii) any amendment to the Option Plan to increase the Common Share Maximum (defined as 10% of the issued and outstanding shares of the Corporation from time to time); (iv) extend the term of any outstanding Option beyond the original

expiry date of such Option, unless such extension is due to a Blackout Period (as such term is defined in the Option Plan) being in effect; (v) change the definition of "Participant" under the Option Plan; (vi) amend the limits on grants of Options to non-employee directors from those provided in the Option Plan; (vii) amend the Article of the Option Plan that provides for the transferability of Options; (viii) amend the Article of the Option Plan that provides for the amendment and termination of the Option Plan; (ix) an amendment to amend the amendment provisions of the Option Plan; and (x) make any other amendment to the Option Plan that shall require Shareholder approval pursuant to any applicable laws or regulations, including without limitation, the policies and regulations of the TSX (collectively, the "**2011 Amendments**").

In addition, Options granted subsequent to the year ended March 31, 2015, and prior to the date of this Information Circular - Proxy Statement, include performance vesting criteria (the "**Performance Criteria**"), which Performance Criteria are in addition to the time-based vesting criteria applicable to such Options. The Performance Criteria were developed by the Compensation and Governance Committee and approved by the Board. The Performance Criteria provide that the number of Options that vest in the holders thereof (each, an "**Optionee**") at any particular "time-based" vesting date (being, for the Options in question, the first, second and third anniversaries of the date of grant of the Options) shall be calculated based on the number of Options eligible for vesting at such dates (according to the time-based vesting schedule) multiplied by a "**Performance Multiplier**", which is a number between zero and one. The Performance Multiplier is determined by the Compensation and Governance Committee based on the specific terms and conditions set forth in the agreements pursuant to which the Options were granted. Such Option agreements provide that the Performance Multiplier is calculated based on equal one-third weightings of: (i) the performance of the Corporation's share price measured against a specific group of peer companies; (ii) the growth in the Corporation's production of hydrocarbons; and (iii) the growth in the Corporation's proved plus probable reserves (based on reports of the Corporation's independent qualified reserve evaluator); each of which performance criteria is then measured against pre-defined corporate targets to develop the Performance Multiplier. The resulting Performance Multiplier is then applied to the number of Options that are eligible to vest in the Optionee at the specific vesting date, to determine the number of Options that will vest in the Optionee. The Corporation believes that the Performance Criteria, in this fashion, provide a direct link between corporate performance and the vesting of Options, further aligning the interests of the Corporation's directors, officers and employees with the interests of Shareholders.

As of the date hereof, the Corporation has 68,177,796 Common Shares issued and outstanding. As at the date hereof, the Corporation has 3,787,500 (5.6%) Options issued under the Option Plan and 3,030,280 (4.4%) Options still available for grant under the Option Plan.

Employee Share Purchase Plan

The employee share purchase plan ("**ESPP**") provides an opportunity for employees to accumulate savings through automatic payroll deductions, which are then invested in Common Shares. The ESPP is administered for the Corporation by Raymond James Ltd. (the "**Administrative Agent**").

Employees with over three months of continuous service with the Corporation or its subsidiaries are eligible to participate in the ESPP. Employees who elect to join the ESPP ("**Participants**") may contribute a minimum of 2% and a maximum of 10% of their regular monthly earnings, subject to certain exceptions, to the ESPP. The Corporation contributes a matching amount of each Participant's contribution up to 10% of the employee's monthly earnings, with certain exceptions. The Administrative Agent purchases Common Shares on the open market with the contribution funds and maintains accounts for each ESPP Participant.

Pension Plan Benefits

The Corporation did not have any defined benefit (or actuarial plans), defined contribution plan, deferred compensation plan, or any other form of pension plan during the financial year ended March 31, 2016.

Termination and Change of Control Benefits

Messrs. Chakrabarty, Blanchard, MacMahon and Piovoso have entered into employment agreements with the Corporation. With respect to Mr. Chakrabarty his employment agreement may be terminated by either the Corporation or Mr. Chakrabarty on one month's notice. The employment agreement provides that, if the employment agreement is terminated without cause or as a result of a "Change of Control" (as defined in the employment agreement) of the Corporation, Mr. Chakrabarty becomes entitled to a lump sum retiring allowance equal to sum of 1.5 times his annual base salary and 1.5 times the annual bonus payment paid to Mr. Chakrabarty in the preceding fiscal year, if any. In addition, Mr. Chakrabarty is entitled to an amount equal to the premiums due for the executive's participation in the Corporation's group benefit plan for a period of twelve months from the date of termination. Furthermore, Mr. Chakrabarty is entitled to any amounts owing pursuant to the terms of any stock option agreements and any other stock option compensation agreements in effect at the time of termination or a "Change of Control".

Mr. Blanchard's employment agreement may be terminated without cause by the Corporation on six months' notice plus one additional month's notice for every completed year of service after the first anniversary of his employment agreement (the "**Written Notice**") to a maximum of twelve (12) months annual salary. The Corporation, in its sole and absolute discretion, may instead make a lump sum payment to Mr. Blanchard, in lieu of the Written Notice, equal to the base salary that he would have otherwise been earned during the Written Notice. The employment agreement also provides that Mr. Blanchard may terminate his employment within 90 days of a "Change of Control" (as defined in the employment agreement) and following an event that constitutes "Good Reason" (as defined in the employment agreement), following which Mr. Blanchard becomes entitled to a retiring allowance in an amount to equal to the retiring allowance he would be entitled to if he had been terminated by the Corporation without cause after the second anniversary of his employment agreement. In the event of a Change of Control, and within 90 days of a "Change of Control" (as defined in the employment agreement) and following an event that constitutes "Good Reason" (as defined in the agreements), terminate his employment, following which Mr. Blanchard becomes entitled to a retiring allowance in an amount to equal to the retiring allowance he would be entitled to if he had been terminated by the Corporation without cause after the second anniversary of his employment agreement.

Mr. MacMahon's employment agreement may be terminated without cause provided that, in addition to accrued and unpaid salary and vacation pay, the Corporation pays Mr. MacMahon a retiring allowance equal to twelve (12) months of the Mr. MacMahon's annual base salary as at the termination date. Mr. MacMahon's employment agreement also provides that he may, within 90 days of a "Change of Control" (as defined in the agreements) and following an event that constitutes "Good Reason" (as defined in the employment agreement), terminate his employment, following which Mr. MacMahon becomes entitled to a retiring allowance in an amount to equal to the retiring allowance he would be entitled to if he had been terminated by the Corporation without cause after the second anniversary of his employment agreement.

Mr. Piovoso's employment agreement may be terminated without cause provided that the Corporation provide one months' notice (the "**Written Notice**"). The Corporation, in its sole and absolute discretion, may instead make a lump sum payment to Mr. Piovoso, in lieu of the Written Notice, equal to the base salary that he would have otherwise earned during the Written Notice.

The stock option agreements with each NEO provide that, in the event of a "Change of Control" (as defined in the option agreement), all outstanding Options will immediately vest and become exercisable. Had such "Change of Control" occurred as at March 31, 2016, the value of Options vested upon such occurrence (calculated as the difference between the market price of the Common Shares on the TSX on March 31, 2016, the last trading day of the most recently completed financial year and the exercise price of the Options) would have been, nil for Mr. Chakrabarty, nil for Mr. Edgar, nil for Mr. MacMahon, nil for Mr. Blanchard and nil for Mr. Piovoso.

The estimated incremental payments, payables and benefits which might be paid by the Corporation for the Named Executive Officers, assuming a termination of employment without cause or a change of control

occurred as at March 31, 2016, would be, in the aggregate, \$616,392. Mr. Chakrabarty would be entitled to a lump sum payment equal to \$356,207. Mr. MacMahon would be entitled to a lump sum payment equal to \$135,540. Mr. Blanchard would be entitled to a lump sum payment of \$110,500. Mr. Piovoso would be entitled to a lump sum payment of \$14,145. As no bonus payment was paid during the fiscal year ending March 31, 2016 to Mr. Chakrabarty, he would not be entitled to an additional payment with respect to the bonus previously paid.

Compensation of Directors

In October 2011, the Board approved the payment of the following fees to non-executive directors as compensation for the services provided to the Corporation: (i) an annual retainer fee in the amount of \$10,000 for each non-executive director (\$15,000 for the Chairman); (ii) an additional \$5,000 annual retainer fee for the Chairman of the Audit Committee and Chairman of the Reserves Committees and \$4,000 for the Chairman of the Compensation and Governance Committee of the Board; and (iii) a \$750 fee for each meeting of the Board or a committee thereof attended by a non-executive director. Non-executive directors will also be reimbursed for reasonable expense incurred in their role as non-executive directors and may also receive Option grants under the Option Plan.

The following table sets forth all amounts of compensation provided to the directors of the Corporation (other than those directors who are also Named Executive Officers) during the year ended March 31, 2016.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension value	All other compensation (\$)	Total (\$) ⁽²⁾
Ian J. Towers	21,750	Nil	7,397	Nil	Nil	Nil	29,147
Peter D. Gaffney	21,750	Nil	7,397	Nil	Nil	Nil	29,147
James B. Howe	24,750	Nil	7,397	Nil	Nil	Nil	32,147
Brian J. Moss	18,250	Nil	7,397	Nil	Nil	Nil	25,647
Robert D. Steele	24,500	Nil	7,397	Nil	Nil	Nil	31,897
Bill Wheeler	19,000	Nil	7,397	Nil	Nil	Nil	26,397

Notes:

- (1) Represents the grant date fair value for Options granted in the year ended March 31, 2016. Fair value is estimated using the Black-Scholes option pricing model. Key assumptions used in the pricing model for 2016 were: (i) an exercise price of \$0.18 for Options granted on July 30, 2015; (ii) dividend yield: nil; (iii) expected volatility: 78%; (iv) risk-free interest: 1.5%; (v) forfeiture rate: nil%; and (vi) weighted average life: 5 years. The Black-Scholes methodology was selected due to its acceptance as an appropriate valuation model used by similar sized oil and gas companies.
- (2) Total compensation includes the grant date fair value of option-based awards during the year (which value is not a cash amount).

Outstanding Share-based Awards and Option-based Awards

The following table sets forth information in respect of all option-based awards outstanding at the end of the financial year ended March 31, 2016 to the non-executive directors of the Corporation. There were no share based awards outstanding at March 31, 2016.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$/per share)	Option expiration date	Value of un-exercised in-the-money-options (\$) ⁽¹⁾	Number of Common Shares or units that have not vested (\$)	Market or payment value of share-based awards that have not vested (\$)	Market or payout-value of vested share-based awards not paid out or distributed (\$)
Ian J. Towers	50,000	\$0.65	July 11, 2018	Nil	Nil	Nil	Nil
	75,000	\$0.58	December 21, 2017	Nil			
	75,000	\$1.15	March 12, 2017	Nil			
	75,000	\$1.32	June 20, 2016	Nil			
	65,000	\$0.18	July 30, 2020	Nil			
Peter D. Gaffney	50,000	\$0.65	July 11, 2018	Nil	Nil	Nil	Nil
	75,000	\$0.58	December 21, 2017	Nil			
	85,000	\$1.15	March 12, 2017	Nil			
	60,000	\$1.32	June 20, 2016	Nil			
	65,000	\$0.18	July 30, 2020	Nil			
James B. Howe	50,000	\$0.65	July 11, 2018	Nil	Nil	Nil	Nil
	75,000	\$0.58	December 21, 2017	Nil			
	75,000	\$1.15	March 12, 2017	Nil			
	67,500	\$1.32	June 20, 2016	Nil			
	65,000	\$0.18	July 30, 2020	Nil			
Brian J. Moss	50,000	\$0.65	July 11, 2018	Nil	Nil	Nil	Nil
	75,000	\$0.58	December 21, 2017	Nil			
	85,000	\$1.15	March 12, 2017	Nil			
	65,000	\$0.18	July 30, 2020	Nil			
Robert D. Steele	50,000	\$0.65	July 11, 2018	Nil	Nil	Nil	Nil
	75,000	\$0.58	December 21, 2017	Nil			
	65,000	\$1.15	March 12, 2017	Nil			
	60,000	\$1.32	June 20, 2016	Nil			
	65,000	\$0.18	July 30, 2020	Nil			
Bill Wheeler ⁽²⁾	65,000	\$0.18	July 30, 2020	Nil	Nil	Nil	Nil

Notes:

- (1) Calculated based on the difference between the closing price on the TSX of the Common Shares on March 31, 2016 of \$0.125 and the exercise price of the Options.
- (2) Mr. Wheeler elected not to receive any of the Options granted on March 12, 2012, December 21, 2012 and July 11, 2013.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table provides details of the aggregate value of option-based awards held by directors (who are not also Named Executive Officers) which vested during the financial year ended March 31, 2016.

Name	Option-based awards - Value vested during the year (\$) ⁽¹⁾	Share-based awards- Value vested during the year (\$)	Non-equity incentive plan – Value earned during the year (\$)
Ian J. Towers	Nil	Nil	Nil
Peter D. Gaffney	Nil	Nil	Nil
James B. Howe	Nil	Nil	Nil
Brian J. Moss	Nil	Nil	Nil
Robert D. Steele	Nil	Nil	Nil

Name	Option-based awards - Value vested during the year (\$) ⁽¹⁾	Share-based awards- Value vested during the year (\$)	Non-equity incentive plan – Value earned during the year (\$)
Bill Wheeler ⁽²⁾	Nil	Nil	Nil

Notes:

- (1) Calculated by multiplying the number of Common Shares in respect of which vesting occurred in the year ended March 31, 2016 by the difference between the closing price of the Common Shares on the TSX on the vesting date and the exercise price of the Options on the vesting date.
- (2) Mr. Wheeler elected not to receive any of the Options granted on March 12, 2012, December 21, 2012 and July 11, 2013.

Securities Authorized for Issuance Under Equity Compensation Plans

The following sets forth information in respect of securities authorized for issuance under the equity compensation plans as at March 31, 2016.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders ⁽¹⁾	4,357,500 Options	\$0.72	2,460,280
Equity compensation plans not approved by securityholders	-	-	-
Total	4,357,500	0.72	2,460,280

Note:

- (1) Based on the number of outstanding Common Shares as at March 31, 2016 and the number of Options outstanding at March 31, 2016. As at March 31, 2016, there were a total of 4,357,500 Options outstanding, leaving a total of 2,460,280 Options remaining available for issue. Pursuant to the Option Plan, the maximum number of Common Shares that may be subject to Options granted and outstanding thereunder at any time shall not exceed 10% of the outstanding Common Shares. No Options were exercised during the year ended March 31, 2016.

Indebtedness of Directors and Executive Officers

No director, executive officer, employee or former executive officer, director or employee of the Corporation or any of its subsidiaries, or any associate of any such director, officer or employee is, or has been at any time since the beginning of the most recently completed financial year of the Corporation, indebted to the Corporation or any of its subsidiaries in respect of any indebtedness that is still outstanding, nor, at any time since the beginning of the most recently completed financial year of the Corporation has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

CORPORATE GOVERNANCE PRACTICES

The Corporation's disclosure with respect to Corporate Governance Practices is set forth in Schedule "A" hereto.

INTEREST OF MANAGEMENT AND INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth herein, there were no material interests, direct or indirect, of directors or executive officers of the Corporation, of any Shareholder who beneficially owns or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares, or any other Informed Person (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) or any known associate or affiliate of such persons, in any transaction since the commencement of the most recently completed financial year of

the Corporation or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

On April 10, 2015, Mr. William Wheeler acquired directly and indirectly an additional 57,000 Bengal Shares through the TSX in reliance on the normal course purchase exemption set out in Section 4.1 of Multilateral Instrument 62-104 – Take-Over Bids and Issuer Bids. As a result Mr. Wheeler currently owns, directly or indirectly, or exercises control or direction over 13,690,241 Common Shares, representing approximately 20.08% of the total issued and outstanding Common Shares as at the date of this Information Circular – Proxy Statement.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or nominee for director, or executive officer of the Corporation or anyone who has held office as such since the beginning of the Corporation's last financial year or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting other than the election of directors and other than in respect of the resolution approving unallocated Options under the Option Plan.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information in respect of the Corporation and its affairs is provided in the Corporation's annual audited comparative financial statements for the year ended March 31, 2016 and the related management's discussion and analysis. Copies of the Corporation's financial statements and related management discussion and analysis are available upon request from the Chief Financial Officer of the Corporation, at 1810, 801 – 6th Avenue SW, Calgary, Alberta T2P 3W2, (403) 205-2526.

Also see "Audit Committee Information" in the Corporation's annual information form for the year ended March 31, 2016 for information relating to the Audit Committee, including its mandate, composition of the Audit Committee and fees paid to the Corporation's auditors.

OTHER MATTERS

Management knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Annual and Special Meeting. However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

APPROVAL

The contents and sending of this Information Circular - Proxy Statement has been approved by the Board.

DATED August 19, 2016.

SCHEDULE "A"

BENGAL ENERGY LTD. CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**") requires that if management of an issuer solicits proxies from its security holders for the purpose of electing directors that certain prescribed disclosure respecting corporate governance matters be included in its management information circular. The TSX also requires listed companies to provide, on an annual basis, the corporate governance disclosure which is prescribed by NI 58-101.

The prescribed corporate governance disclosure for the Corporation is that contained in Form 58-101F1 which is attached to NI 58-101 ("**Form 58-101F1 Disclosure**").

Set out below is a description of the Corporation's current corporate governance practices, relative to the Form 58-101F1 Disclosure.

Board of Directors

Disclose the identity of directors who are independent.

The following six current directors of the Corporation are independent (within the meaning of National Instrument 52-110 – *Audit Committees*):

Peter D. Gaffney
James B. Howe
Dr. Brian J. Moss
Robert D. Steele
Ian J. Towers (Chairman)
W. B. (Bill) Wheeler

Disclose the identity of directors who are not independent, and describe the basis for that determination.

Chayan Chakrabarty is not independent as he is the President and Chief Executive Officer of the Corporation and is compensated as such.

Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors (the board) does to facilitate its exercise of independent judgement in carrying out its responsibilities.

Six of the seven current directors are independent, including the Chairman. The Board regularly holds "in-camera" sessions at its Board meetings, which sessions exclude the director who is also an officer of the Corporation. The Board feels that having six independent directors and holding in-camera sessions is sufficient to facilitate its exercise of independent supervision over management.

If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.

The following directors are presently directors of other issuers that are reporting issuers (or the equivalent):

<u>Name of Director</u>	<u>Name of Other Reporting Issuers</u>
James B. Howe	Ensign Energy Services Inc. Pason Systems Inc.

Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.

During the year ended March 31, 2016, the independent directors held four (4) regularly scheduled meetings at which non-independent directors and management were not in attendance. In addition, the Board has adopted terms of reference for the Board (as noted below) which will require the independent directors of the Board to regularly hold in camera sessions of the Board, with only independent directors present and at such times as the independent directors determine advisable.

Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.

The Chairman of the Board is Ian Towers. The role of the Chairman is to manage the affairs of the Board, including being satisfied that the Board is organized properly, functions effectively, meets its obligations and responsibilities, including those matters set forth in the terms of reference of the Board and operates independently of management. Mr. Towers is an independent director.

Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.

The attendance record of each of the directors of the Corporation for meetings and committee meetings during the financial year ended March 31, 2016 is as follows:

<u>Name</u>	<u>Board Meetings Attended / Held</u>	<u>Audit Committee Meetings Attended / Held</u>	<u>Reserves Committee Meetings Attended / Held</u>	<u>Compensation and Governance Committee Meetings Attended / Held</u>
Ian J. Towers	7/8	4/4	N/A	Nil
Chayan Chakrabarty	8/8	N/A	N/A	N/A
Peter D. Gaffney	7/8	N/A	1/1	Nil
James B. Howe	8/8	4/4	N/A	N/A
Dr. Brian J. Moss	8/8	N/A	1/1	Nil
Robert D. Steele	8/8	4/4	N/A	Nil
W. B. (Bill) Wheeler	7/8	3/4	N/A	N/A

Board Mandate – Disclose the text of the board's written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.

The mandate of the Board is attached hereto as Schedule "B" hereto.

Position Descriptions

Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.

The Board has developed written position descriptions for the Chairman of the Board, as well as the Chairman of each of the committees of the Board.

Disclose whether or not the board and CEO have developed a written position description for the CEO. If the board and CEO have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the CEO.

The Board, with the input of the CEO of the Corporation, has developed a written position description for the CEO.

Orientation and Continuing Education

Briefly describe what measures the board takes to orient new directors regarding (i) the role of the board, its committees and its directors, and (ii) the nature and operation of the issuer's business.

While the Corporation does not currently have a formal orientation and education program for new recruits to the Board, the Corporation has historically provided such orientation and education on an informal basis. As new directors have joined the Board, management has provided these individuals with corporate policies, historical information about the Corporation, as well as information on the Corporation's performance and its strategic plan with an outline of the general duties and responsibilities entailed in carrying out their duties. The Board believes that these procedures have proved to be a practical and effective approach in light of the Corporation's particular circumstances, including the size of the Corporation and the experience and expertise of the members of the Board.

Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.

No formal continuing education program currently exists for the directors of the Corporation. However, all board members are provided with copies of the terms of reference for the Board and the Corporation's whistle blower policy. In addition, management keeps the Board apprised of developments within the oil and gas industry that may affect the governance and management of the Corporation. Any director who feels that they require any services from an outside advisor to assist with discharging their responsibilities as a director may engage one at the expense of the Corporation upon authorization by the Chairman of the Audit Committee.

The Corporation encourages directors to attend, enrol or participate in courses and/or seminars dealing with financial literacy, corporate governance and related matters and has agreed to pay the cost of such courses and seminars. Each director of the Corporation has the responsibility for ensuring that he maintains the skill and knowledge necessary to meet his obligations as a director.

Ethical Business Conduct

Disclose whether or not the board has adopted a written code for the directors, officers and employees.

The Corporation has adopted a Code of Business Conduct and Ethics for directors, officers and employees (the "Code"). A copy of the Code has also been posted on the Corporation's profile at www.sedar.com.

Disclose how a person or company may obtain a copy of the code.

See above.

Describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and

The Board monitors compliance with the Code by requiring that each of the directors, officers, employees and consultants of the Corporation affirm in writing on an annual basis his or her agreement to abide by the Code, his or her ethical conduct during the year and disclosure with respect to any conflicts of interest. In addition, the Board has delegated to management the day-to-day responsibility for monitoring compliance with and enforcing the provisions of the Code. To ensure proper understanding of the Code, any questions as to its application will be explained fully by the employee's manager and in the case of directors and officers, by the Audit Committee of the Board.

Provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.

There has been no material change reports filed since the beginning of the Corporation's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the Code.

Describe any steps the board takes to ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest.

In accordance with the *Business Corporations Act* (Alberta), directors who are a party to, or are a director or an officer of a person which is a party to, a material contract or material transaction or a proposed material contract or proposed material transaction are required to disclose the nature and extent of their interest and not to vote on any resolution to approve the contract or transaction. In addition, in certain cases, an independent committee of the Board may be formed to deliberate on such matters in the absence of the interested party.

Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.

The Board has adopted a "Whistleblower Policy" wherein employees and consultants of the Corporation are provided with the mechanics by which they may raise concerns with respect to falsification of financial records, unethical conduct, harassment and theft in a confidential, anonymous process.

Nomination of Directors

Describe the process by which the board identifies new candidates for board nomination.

The Board is responsible for recommending suitable candidates for nominees for election or appointment as director, and recommending the criteria governing the overall composition of the

Board and governing the desirable characteristics for directors. The Board is currently comprised of six independent directors, consisting of Peter D. Gaffney, James B. Howe, Dr. Brian J. Moss, Robert D. Steele, Ian J. Towers and W. B. (Bill) Wheeler, and one non-independent director, Chayan Chakrabarty. In making such recommendations, the Board is to consider: (i) the competence and skills that the Board considers to be necessary for the Board, as a whole, to possess; (ii) the competence and skills that the Board considers each existing director to possess; (iii) the competencies and skills that each new nominee will bring to the boardroom; and (iv) whether or not each new nominee can devote sufficient time and resources to his or her duties as a member of the Board.

The Board is also responsible for reviewing on a periodic basis the composition of the Board to ensure that an appropriate number of independent directors sit on the Board, and analyze the needs of the Board and recommend nominees who meet such needs.

Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.

The Board, which is responsible for nominating directors, includes six independent directors. The Board is of the view that having six independent directors and holding regular in-camera sessions is sufficient to ensure an objective nomination process.

If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.

Please see the previous response.

Compensation

Describe the process by which the board determines the compensation for the issuer's directors and officers.

See "*Information Concerning the Corporation – Statement of Executive Compensation – Compensation Discussion and Analysis*" in the case of officers and "*Information Concerning the Corporation – Director Compensation*" in respect of directors.

Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.

The Corporation has a Compensation and Governance Committee consisting of Robert D. Steele, (Chairman), Peter D. Gaffney, Dr. Brian J. Moss and Ian J. Towers, all of whom are independent.

If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.

Responsibilities

The Compensation and Governance Committee is part of the Board. Its primary functions are: (i) the oversight of the overall human resources policies and procedures including all compensation matters of the Corporation; (ii) developing the approach of the Corporation to matters concerning corporate governance, including in respect of the recruitment of new members of the Board; and (ii) reviewing and making recommendations to the Board in respect of such matters.

Specific Duties

The Committee shall:

Compensation Matters

1. Assist the directors in meeting their responsibilities in respect of overall human resources policies and procedures including recruitment, performance management, compensation, benefit programs, resignation/terminations, training and development, succession planning and organizational planning and design;
2. Review all compensation and benefit proposals for the directors, officers and senior management of the Corporation and make recommendations to the Board;
3. Review overall salary increases for employees of the Corporation and make recommendations to the Board;
4. In consultation with the Board, review and approve corporate goals and objectives relevant to the CEO's and President's compensation, undertake an annual performance review with the CEO and President evaluating their performance in light of those corporate goals and objectives and review their appraisals of the performance of the remaining officers of the Corporation;
5. Review all employment contracts and other agreements for directors, officers, senior management, employees or consultants of the Corporation and make recommendations to the Board;
6. Review all proposed compensation plans and any amendments to all compensation plans of the Corporation;
7. Strengthen the role of the outside directors by facilitating in depth discussions between directors on the Compensation and Governance Committee and management;
8. Be responsible for reviewing executive compensation disclosure before it is publicly disclosed;
9. Administer the Option Plan in accordance with its terms including the grant of stock options in accordance with the terms thereof and reviewing other incentive plans of the Corporation; and
10. Review management's recommendation for proposed stock options or share purchase plans and make recommendations in respect thereof to the Board.

Corporate Governance Matters

1. Review annually the mandates of the Board and its committees and recommend to the Board such amendments to those mandates as the Compensation and Governance Committee believes are necessary or desirable;
2. Consider and, if thought fit, approve requests from directors or committees of directors of the engagement of special advisors from time to time;
3. Prepare and recommend to the Board annually a statement of corporate governance practices to be included in the Corporation's annual report or information circular;

4. Review on a periodic basis the composition of the Board and ensuring that an appropriate number of independent directors sit on the Board, analyzing the needs of the Board and recommending nominees who meet such needs;
5. Assess, at least annually, the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors, including considering the appropriate size of the Board;
6. Make recommendations to the Board as to which directors should be classified as "independent directors", "related" directors or "unrelated" directors pursuant to any such report or circular;
7. Recommend suitable candidates for nominees for election or appointment as directors, and recommending the criteria governing the overall composition of the Board and governing the desirable individual characteristics for directors and in making such recommendations, the Compensation and Governance Committee should consider:
 - (a) the needs of the Corporation and its stage of development the competencies and skills that the Board considers to be necessary for the Corporation and the Board, as a whole, to possess;
 - (b) the competencies and skills that the Board considers each existing director to possess;
 - (c) the competencies and skills each new nominee will bring to the boardroom; and
 - (d) whether or not each new nominee can devote sufficient time and resources to his or her duties as a member of the Board;
8. As required, develop, for approval by the Board, an orientation and education program for new recruits to the Board;
9. To act as a forum for concerns of individual directors in respect of matters that are not readily or easily discussed in a full Board meeting, including the performance of management or individual members of management or the performance of the Board or individual members of the Board;
10. Develop and recommend to the Board for approval and periodically review structures and procedures designed to ensure that the Board can function effectively and independently of management;
11. Make recommendations to the Board regarding appointments of corporate officers and senior management;
12. Review annually the Compensation and Governance Committee's Mandate and Terms of Reference;
13. Review and consider the engagement at the expense of the Corporation of professional and other advisors by any individual director when so requested by any such director;
14. Establish, review and update periodically the Code and ensure that management has established a system to monitor compliance with the Code; and
15. Review management's monitor of the Corporation's compliance with the Code.

Review of Terms of Reference

The Compensation and Governance Committee shall review and assess these Terms of Reference periodically and otherwise as it deems appropriate and recommend changes to the Board. Such review shall include the evaluation of the performance of the Compensation and Governance Committee against the criteria defined in the Compensation and Governance Committee and Board Terms of Reference.

Other Board Committees – If the board has standing committees other than the audit, compensation and nominating committees identify the committees and describe their function.

Other than the Audit and Compensation and Governance Committees, the Corporation has established a Reserves Committee. The Reserves Committee is comprised of Peter D. Gaffney, (Chairman), and Dr. Brian J. Moss, both of whom are independent. The fully independent directors comprising the Reserves Committee ensures an objective process for determining reviewing and supervising the computation and disclosure of the Corporation's reserves.

The Reserves Committee is responsible for various matters relating to reserves of the Corporation that may be delegated to the Reserves Committee pursuant to National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* ("**NI 51-101**"), including:

- reviewing the Corporation's procedures relating to the disclosure of information with respect to oil and gas activities including reviewing its procedures for complying with its disclosure requirements and restrictions set forth under applicable securities requirements;
- reviewing the Corporation's procedures for providing information to the independent evaluator;
- meeting, as considered necessary, with management and the independent evaluator to determine whether any restrictions placed by management affect the ability of the evaluator to report without reservation on the Reserves Data (as defined in NI 51-101) (the "**Reserves Data**") and to review the Reserves Data and the report of the independent evaluator thereon (if such report is provided);
- reviewing the appointment of the independent evaluator and, in the case of any proposed change to such independent evaluator, determining the reason therefore and whether there have been any disputes with management;
- providing a recommendation to the Board as to whether to approve the content or filing of the statement of the Reserves Data and other information that may be prescribed by applicable securities requirements including any reports of the independent engineer and of management in connection therewith;
- reviewing the Corporation's procedures for reporting other information associated with oil and gas producing activities; and
- generally reviewing all matters relating to the preparation and public disclosure of estimates of the Corporation's reserves.

Assessments – Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.

The Corporation is working to establish an annual review assessing the Board's overall performance and that of its committees. The objective of this review will be to contribute to a process of continuous improvement of the Board's execution of its responsibilities. The review should consider the mandate or charters of the Board and committee's and should identify any areas where the director's or management believe that the Board could make a better collective contribution to oversee the affairs of the Corporation. The Board is also responsible for regularly assessing the effects of this and contribution of individual directors.

Director Term Limits and Other Mechanisms of Board Renewal – Disclose whether or not the issuer has adopted term limits for the directors on its board or other mechanisms of board renewal and, if so, include a description of those director term limits or other mechanisms of board renewal. If the issuer has not adopted director term limits or other mechanisms of board renewal, disclose why it has not done so.

The Board does not believe that fixed term limits are in the best interest of the Corporation. Therefore it has not specifically adopted term limits or other mechanisms for board renewal.

However, when considering nominees for the Board, the Compensation and Governance Committee reviews the skills and experience of the current directors of the Corporation to assess whether the Board's skills and experience need to be strengthened in any area. In addition to considering the skills and experience of the Board, the Compensation and Governance Committee also assesses the knowledge and character of all nominees to the Board and other factors such as independence of the directors to ensure that the Board is operating effectively and independently of management. The Compensation and Governance Committee considers both the term of service and age of individual directors, the average term of the Board as a whole and turnover of directors over the prior years when proposing nominees for election of the directors of the Corporation. The Compensation and Governance Committee considers the benefits of regular renewal in the context of the needs of the Board at the time and the benefits of the institutional knowledge of the Board members.

Policies Regarding the Representation of Women on the Board

Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women directors. If the issuer has not adopted such a policy, disclose why it has not done so.

The Board has not adopted a written policy relating to the identification and nomination of female directors nor does it have targets regarding the number of women on the Board. The Board believes that director nominations should be made on the basis of the skills, knowledge, experience and character of individual candidates and the requirements of the Board at the time. The Corporation is committed to a meritocracy and believes that considering the broadest group of individuals with the skills, knowledge, experience and character required to provide the leadership needed to achieve its business objectives is in the best interests of the Corporation and its stakeholders, without reference to their age, gender, race, ethnicity or religion. While the Board recognizes the benefits of diversity at the Board level and in assessing candidates and selecting nominees for the Board diversity will also be considered by the Compensation and Governance Committee the Board will not compromise the principles of a meritocracy.

Consideration of the Representation of Women in the Director Identification and Selection Process – Disclose whether and, if so, how the board or nominating committee considers the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board. If the issuer does not consider the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board, disclose the issuer's reasons for not doing so.

As a result of the Corporation's commitment to meritocracy, the level of representation of women on the Board is not specifically considered in identifying and nominating candidates for election to the Board. Also see "*Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women directors. If the issuer has not adopted such a policy, disclose why it has not done so*" above.

Consideration given to the Representation of Women in Executive Officer Appointments -- Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the issuer's reasons for not doing so.

As a result of the Corporation's commitment to meritocracy, the level of representation of women in executive officer positions is not considered when making executive officer appointments. Also see "*Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions*" below.

Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions

Disclose whether the issuer has adopted a target regarding women on the issuer's board. If the issuer has not adopted a target, disclose why it has not done so. If the issuer has adopted a target, disclose (i) the target, and (ii) the annual and cumulative progress of the issuer in achieving the target. Disclose whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so. If the issuer has adopted a target, disclose (i) the target, and (ii) the annual and cumulative progress of the issuer in achieving the target.

The Board does not specifically consider the level of female representation in Board or executive officer positions when making such appointments nor does it have targets in respect of appointing women to these positions. Similar to the Board's approach in considering director nominations, in making appointments to executive officer positions, the Board considers each candidate's experience, knowledge, education, management capabilities and competency, as well as the effect of the appointment on the diversity of the Corporation's executive officers as a whole.

Number of Women on the Board and in Executive Officer Positions

Disclose the number and proportion (in percentage terms) of directors on the issuer's board who are women. Disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all major subsidiaries of the issuer, who are women.

There are presently no women (0%) serving on the Board and no women (0%) serving in executive officer positions at the Corporation.

SCHEDULE "B"

BOARD OF DIRECTORS TERMS OF REFERENCE

The Board of Directors (the "**Board**") of Bengal Energy Ltd. (the "**Corporation**") shall have the oversight responsibility, authority and specific duties as described below.

Composition

Directors and Chairman

The Board shall appoint a chairman (the "**Chairman**") from amongst the directors which comprise the Board. The majority of the directors must be independent, as defined under applicable securities laws, rules or guidelines, any applicable stock exchange requirements or guidelines and any other applicable regulatory rules.

The Chairman shall act as Chair of all meetings of the Board and shareholders of the Corporation.

Committees

In addition to any other committees (including special committees) which the Board may in its discretion constitute from time to time, the Board shall have the following standing committees:

- Audit Committee;
- Reserves Committee; and
- Compensation Committee.

Certain of the responsibilities of the Board may be delegated to these or other committees of the Board. The composition and responsibilities of these standing committees and any other standing committees of the Board will be as set forth in their terms of reference, as amended from time to time, and approved by the Board.

Committee members shall be appointed by the Board. The chair of each committee may be designated by the Board or, failing that, by the members of the particular committee. The chair of each committee (or such committee member as the chair may designate) shall report the results of meetings and any associated recommendations.

The Board is responsible for selecting and appointing the Chief Executive Officer ("**CEO**"); establishing the CEO's goals and objectives and working with the CEO to select and appoint executive officers and establish their goals and objectives.

Communication

To ensure that the Corporation has in place policies and programs that enable the Corporation to communicate effectively and in a timely manner with its shareholders, other stakeholders, analysts and the public generally the Board has adopted a corporate disclosure policy. The Board will review the corporate disclosure policy periodically as deemed necessary to ensure its objectives are being achieved and that the CEO, CFO and Management are effectively implementing the policy.

Meetings and Record Keeping

1. The Board shall meet regularly and at least quarterly at such times and at such locations as the Chairman shall determine.

2. Notice of meetings shall be given to each director not less than 48 hours before the time of the meeting (unless such notice period is waived). Meetings of the Board may be held without formal notice if all of the directors are present and do not object to notice not having been given, or if those absent waive notice in any manner before or after the meeting. The notice of the meeting may be delivered personally, given by mail, facsimile or other electronic means of communication.
3. Each member of the Board is expected to attend Board meetings and meetings of committees on which he or she is a member and to be familiar with deliberations and decisions as soon as possible after any missed meetings. Members of the Board are expected to prepare for meetings by reviewing the meeting materials distributed to members of the Board, to the extent feasible, prior to such meetings.
4. The independent directors of the Board shall regularly hold in camera sessions of the Board, with only independent directors present and at such times as the independent directors determine advisable.
5. A quorum for meetings shall be a majority of the members of the Board, present in person or by telephone or by other telecommunication device that permits all persons participating in the meeting to hear each other.
6. If the Chairman is not present at any meeting of the Board or at any meeting of the shareholders of the Corporation, one of the other directors who is present at the meeting shall be chosen by the Board to preside at the meeting.
7. The Chairman shall establish the agenda for the meetings, and ensure that such agenda enables the Board to successfully carry out its duties, instruct management to circulate appropriate agenda materials to the Board with sufficient time for study prior to the meeting.
8. Every question at a Board meeting shall be decided by a majority of the votes cast.
9. Management shall receive notice of meetings and may attend meetings of the Board at the invitation of the Chairman.
10. The Corporate Secretary of the Corporation, or any other person selected by the Board, shall act as secretary for the purpose of recording the minutes of each meeting.
11. The minutes of the meeting of the Board shall be placed in the Corporation's minute book.

Duties and Responsibilities

In accordance with applicable laws, the Board is required to always act honestly and in good faith with a view to the best interests of the Corporation.

The Board is responsible for the stewardship of the Corporation and overseeing the operation of the business of the Corporation. The primary responsibilities of the Board include:

1. to the extent feasible, satisfying itself as to the integrity of the CEO and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the Corporation;
2. adopting a strategic planning process and approving, at least on an annual basis, a strategic plan for the Corporation which takes into account, among other things, the opportunities and risks of the business;

3. identifying the principal risks of the Corporation's business, and ensuring appropriate systems are implemented to manage these risks;
4. providing continuing education opportunities for all directors so they may maintain or enhance their skills and abilities as directors, as well as ensure their knowledge and understanding of the Corporation's business remains current;
5. adopting a succession plan which includes the appointing, training and monitoring of senior management;
6. adopting and reviewing on a periodic basis the Corporation's Disclosure Policy to ensure that disclosure made by the Corporation is accurate, informative, timely and broadly disseminated all in accordance with applicable laws and stock exchange rules;
7. ensuring that the Corporation has appropriate processes in place to effectively communicate with its employees, government authorities, other stakeholders and the public;
8. in conjunction with the Audit Committee, ensuring the necessary internal controls and management systems are in place that effectively monitor the Corporation's operations and ensure compliance with applicable laws, regulations and policies, including reviewing on an annual basis the controls and procedures established for the certification of financial and other disclosure made by the Corporation;
9. developing clear position descriptions for the Chairman and, in consultation with the CEO, for the CEO;
10. developing or approving the corporate goals and objectives that the CEO is responsible for meeting;
11. monitoring compliance with the Corporation's Code of Business Conduct and Ethics;
12. the establishment of an appropriate system of corporate governance principles and guidelines applicable to the Corporation, including:
 - (a) reviewing periodically the size of the Board and Board member qualifications to ensure its continued effectiveness (including, without limitation, facilitating effective decision-making) and to ensure that a majority of directors qualify as independent directors pursuant to National Instrument 58 101 - Disclosure of Corporate Governance Practices - and that the appropriate number of independent directors are on each committee of the Board as required under applicable securities rules and requirements;
 - (b) regularly assessing the effectiveness and contribution of the Board, its committees and each member of the Board considering, among other things, the applicable terms of reference for the Board and each committee and in the case of each member of the Board, the competencies and skills each member is expected to bring to the Board;
 - (c) reviewing periodically the general responsibilities and function of the Board and its committees and the Chair of each committee, and the roles of the Chairman of the Board and the CEO;
 - (d) approving the nomination of directors;
 - (e) providing a comprehensive orientation to each new director;

- (f) establishing committees and approving their respective mandates and the limits of authority delegated to each committee;
- (g) reviewing and re-assessing the adequacy of the mandate of the committees of the Board on a regular basis, but not less frequently than on an annual basis;
- (h) reviewing the adequacy and form of the annual corporate governance disclosure of the Corporation in its information circular, including the directors' compensation information included therein.

Delegation

The Board may delegate its duties to, and receive reports and recommendations from, any committee of the Board.

Stakeholder Communication

Any stakeholder may contact the Board by e-mail or in writing c/o the Corporate Secretary. Matters relating to the Corporation's accounting, internal accounting control or audit matters will be referred to the Audit Committee. Other matters will be referred to the Chairman. Stakeholders may also directly contact the Chairman.

Review of Terms of Reference

The Board shall review and assess these Terms of Reference and any governance principles and guidelines established by the CEO, CFO and Management at least periodically as deemed necessary.

Approved and adopted by the Board: June 10, 2009, as amended on October 20, 2011.