



International exploration & production

Management's Discussion & Analysis
Three months and Year ended
March 31, 2026 and 2025

BENGAL ENERGY LTD.

The following Management's Discussion and Analysis ("MD&A") of the consolidated financial results of Bengal Energy Ltd. ("Bengal" or the "Company") is at and for the three months and year ended March 31, 2026. This MD&A dated June 15, 2026, should be read in conjunction with the Company's consolidated financial statements and related notes for the year ended March 31, 2026. The consolidated financial statements of the Company have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The functional currency of the Company's operating subsidiary, Bengal Energy (Australia) Pty Ltd. ("Bengal Pty"), is the Australian dollar; the functional currency of the Company is the Canadian dollar ("CAD"). The Company's presentation currency is the CAD. In this MD&A, all dollar amounts are expressed in CAD unless otherwise noted.

This MD&A contains non-IFRS measures, abbreviations and forward-looking information relating to future events and the Company's future performance. Please refer to "*Non-IFRS Measurements*", "*Abbreviations*" and "*Advisories*" sections at the end of this MD&A for further information. Additional information relating to Bengal, including Bengal's audited March 31, 2026, consolidated financial statements and other filings are available on SEDAR at www.sedarplus.ca. In the following discussion, the three months ended March 31, 2026, may be referred to as "fourth quarter of fiscal 2026", "Q4 fiscal 2026", "current quarter", and "the quarter". The comparative three months ended March 31, 2025, may be referred to as "fourth quarter of fiscal 2025", "Q4 fiscal 2025" and "prior year's quarter". The year ended March 31, 2026, may be referred to as "fiscal 2026", "current year", and "the year". The comparative year ended March 31, 2025, may be referred to as "the previous year", "prior year", and "fiscal 2025".

FOURTH QUARTER FISCAL 2026 SUMMARY

Financial summary:

- **Reserves** – Bengal's independently evaluated working interest share Proved Plus Probable ("2P") Reserves for the fiscal year ended March 31, 2026 are 1,799 thousand barrels of oil ("Mbbbls") compared to 1,817 Mbbbls at March 31, 2025. 1P Reserves are 839 Mbbbls compared to 845 Mbbbls at March 31, 2025. The Company is committed to future drilling activities at the Cuisinier field subject to a field development plan being prepared by the Joint Venture ("JV") Operator to ensure commercial viability for all JV parties. Any future activity will be subject to the completion of a field development plan incorporating the results of Cuisinier water-injection program and equity or debt financing. The remaining future development capital is subject to both internal approval and availability of capital. The net present value (NPV¹₁₀, before tax) of Bengal's 2P Reserves, net of future development costs, at March 31, 2026 is \$42.2 million, or \$0.09 per share compared to \$42.6 million or \$0.09 per share at March 31, 2025.
- **Sales revenue** – Crude oil sales revenue was \$1.6 million in the fourth quarter of fiscal 2026, 66% higher than \$1.0 million in Q4 fiscal 2025. Realized oil prices were US\$96.73 per barrel ("bbl") during Q4 F2026, 20% higher than US\$79.95/bbl during Q4 fiscal 2025. In addition, the significant increase in quarter end benchmark crude prices used to value pipeline oil materially increased realized prices during the quarter. Refer to the Revenue/Pricing section below for a detailed reconciliation of pipeline oil. Production was 112 barrels of oil per day ("bopd") in Q4 fiscal 2026, 11% lower than 126 bopd in Q4 fiscal 2025.
- **Funds from operations**² – Funds from operations were \$468 thousand during the fourth quarter of fiscal 2026 compared to funds used in operations of \$502 thousand in Q4 fiscal 2025. The increase was mainly due to higher sales revenues of \$1.6 million in the fourth quarter of fiscal 2026 compared to \$1.0 million in the fourth quarter of fiscal 2025 and lower operating expense of \$0.2 million between the two periods.
- **Net loss** – Bengal reported a net loss of \$1.7 million in the fourth quarter of fiscal 2026 compared to net loss of \$3.0 million in the fourth quarter of fiscal 2025, attributed to \$0.6 million higher revenues offset by impairment on exploration and evaluation asset recognized in the current fiscal quarter.

¹ See "Abbreviations" on page 13 of this MD&A.

² See "Non-IFRS and Other Financial Measures" on page 13 of this MD&A.

Operational summary:

- **Production volumes** – The Company's share of total Cuisinier production in the current quarter was 10,115 bbls (112 bopd), a decrease of 11% compared to production of 11,323 bbls (126 bopd) in the fourth quarter of fiscal 2025. Production from four wells which were the subject of workovers were fully on stream during the quarter, however production volumes from these wells have not yet resumed to pre-workover volumes. The Company has requested information from the operator to explain production results and the allocation of production between the joint venture partners.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Business Overview

Bengal's producing and non-producing assets are situated in Australia's Cooper Basin, a region featuring large accumulations of light and high-quality crude oil and natural gas. The Company's core Australian assets, Petroleum Lease ("PL") 303 Cuisinier, Authority to Prospect ("ATP") 934 Barrolka, Potential Commercial Area ("PCA") 332 (formerly ATP 732) Tookoonooka, and four petroleum licenses are situated within an area of the Cooper Basin that is well served with production infrastructure and take-away capacity for produced crude oil and natural gas. Still in early stages in terms of appraisal and development, Bengal believes these assets offer attractive upside potential for both oil and gas. Australia presents a stable political, fiscal, and economic environment in which to operate, and a favourable royalty regime for oil and gas production. In addition, Bengal owns a 26km 6" high pressure gas pipeline (PPL 138) connecting the Wareena field to a large raw gas network passing Bengal's prospects at ATP 934.

Under the State of Queensland Regulatory process, ATPs are granted by the State generally for a period of twelve years with one-third of the original grant area expiring every four years. At the end of the final term of the ATP, an application can be made to continue a portion of the permit in the form of a Potential Commercial Area ("PCA"). PCAs have a life span of five to fifteen years. PCA applications include a commercial viability report that indicates that the area is likely to be commercially viable within the applied term. This allows for extra time to commercialize any identified Resource. These PCAs remain a part of the ATP until expiry. If a discovery of oil or gas is made, an application for a PL is made to allow for production. PLs are granted for up to a thirty-year term.

Bengal has a 30.375% interest in two PLs on the former ATP 752 Barta block, PL 303 and PL 1028. In addition, the Company has three PCAs associated with ATP 752 which are the Barta block, PCA 206 and PCA 207 and PCA 155 in the Wompi block which contains the Nubba well. Bengal also holds a 100% working interest in four PLs as well as PPL 138 adjacent to the 100% owned ATP 934.

Following extensive public consultation, in late December 2023 the Queensland government released a document outlining its plans for increased restrictions to petroleum activities within the rivers and floodplains area of the Lake Eyre Basin (LEB) catchment. Bengal Energy areas affected by this are the western portion of the Durham Downs block (ATP 934) where Bengal holds a 40% interest and PCA 155 (Nubba)(ATP 752 Wompi) in which Bengal holds a 38% interest. Of these permits, work can continue to develop gas resources under an existing petroleum lease. No additional PL's have been acquired by Bengal since the new Queensland Legislation came into effect.

In the Wompi portion of the Bengal ATP 752 permit (Bengal 38.5% WI) the discovered volumes of natural gas in the Nubba well are deemed too small for commerciality, and Bengal and partners will move to relinquish this block. In the western portion of ATP 934 in the Durham Downs East block (Bengal 40% W.I.) which is the part of ATP 934 which was farmed out, the operator is expected to withdraw from the permit subject to the terms of the Joint Operating Agreement (JOA) leaving Bengal with 100% interest. Bengal plans relinquishing this interest and is working with the regulator to secure favourable relinquishment terms. Bengal prospects within Barrolka East (ATP 934 – 100% WI), Ghina (PL 1109 – 100% WI), Wareena (PL 1110 - 100% WI), Ramses PL 188, Karnak PL 411 and Tookoonooka (PCA 332 – 100% WI) are unaffected.

AUSTRALIA – Cooper Basin, Queensland

PL 303 Barta Block Cuisinier (controlling permit ATP 752) (30.357% WI)

During fiscal 2026, the Company continued to deny all capital spending subject to the receipt of a detailed field

development plan including analysis of enhanced recovery potential through water injection. The water injection pilot at Cuisinier has been permanently suspended by the operator. Whilst the JV has observed compelling evidence that the overall field decline was temporarily arrested with a modest upward trend in oil production during periods of operation, the water injection program has suffered from extended shut-in periods due to equipment failure and lack of available replacement parts. The program was intermittently operational during fiscal 2025; however, its impact to the joint venture was not measurable given unexplained changes to the Operator's allocation methodology. Bengal continues to challenge the Operator on this performance shortfall; the validity of its evaluation of the water injection pilot and is strongly encouraging the Operator to focus its development activities on pressure maintenance in the reservoir before considering new drilling activity.

PL 114 Wareena, PL 157 Ghina, PL 188 Ramses, PL 411 Karnak, PPL 138 pipeline (100% WI)

The Company has a 100% working interest in four PLs and a natural gas pipeline connected to transportation infrastructure into the Eastern Australia Gas Market. These non-productive PLs are highly compatible with and near ATP 934.

The 100% ownership of these assets presents an appraisal and development opportunity (subject to available financing) that will be operated by the Company and is seen as a steppingstone for Bengal's natural gas platform upon which future development and appraisal work at the existing PLs and exploration growth through ATP 934 can be undertaken.

PCA 332 Tookoonooka (100% WI; formerly ATP 732)

Bengal conducted an acid treatment in Year 2022 on the Caracal-1 well to improve well bore inflow with moderate inflow of very light 53-degree gravity oil from the Wyandra zone. While not immediately commercially viable, fracture stimulation (subject to financing) is being considered to enhance productivity. The well is currently suspended with shut-in pressure data being monitored.

ATP 732 reached the end of its term in March of 2023, and the Company lodged an application over the northern portion of the ATP for continuation in the form of PCA 332 for a further 15 years. Based on the positive results from Caracal-1, the application was approved on January 30, 2023. The PCA, granted by the Queensland Government in record time, provides much-needed certainty for Bengal to focus on its hydrocarbon projects in the Talgeberry-Tintaburra corridor. The majority of PCA 332 is covered by 3D seismic which has outlined the prospective targets as described in the Company's press release: "Bengal Energy Announces Independent Oil and Natural Gas Resource Report" dated March 30, 2022. The Company announced the completion of its Field Resource Maturation and Development Plan for its Tookoonooka PCA332 on March 14, 2024.

ATP 934 Barrolka East (100% WI)

ATP 934 is the Company's 100% owned natural gas exploration block. The current LWP includes the drilling of up to two wells and acquisition of 260 km² of 3D seismic. The Company has proposed a swap of non-prospective land in the Durham Downs portion of this ATP in consideration for a reduction in the outcome-based LWP and a potential further extension. In absence of a favourable extension, the Company does not expect to meet its work program commitments during the current term and has therefore recognized an impairment of \$2.2 million.

AC/RL 10 Katandra (100% WI)

Bengal submitted a notification of withdrawal in relation to its renewal application of the retention lease in May 2025. This was accepted by the Australian Government on May 6, 2025. Given that these assets had nil carrying value, there was no financial statement impact from this relinquishment. There are no abandonment liabilities associated with this licence.

Business development

From time to time, Bengal has been in discussions regarding potential farm-out opportunities surrounding its exploration and development portfolio, as well as other corporate initiatives including acquisitions and divestitures aimed at increasing shareholder value. With volatile commodity pricing and junior equity markets virtually closed for oil and gas companies, Bengal continues to pursue these initiatives to date.

OPERATING SUMMARY

(\$000s except per share, %, volumes and operating netback ⁽¹⁾ amounts)	Three months ended		Year ended	
	2026	March 31, 2025	2026	March 31, 2025
Oil sales (\$)	1,611	973	4,612	5,558
Operating netback ⁽¹⁾ (\$)	1,004	109	2,052	2,327
Cashflow (used in) operating activities	(89)	(270)	(417)	(392)
Funds (used in) from operations ⁽¹⁾ (\$)	468	(502)	(40)	(570)
-Per share (\$) (basic and diluted)	0.00	(0.00)	(0.01)	(0.01)
Net income (loss)	(1,716)	(2,993)	(3,067)	(4,181)
-Per share (\$) (basic and diluted)	0.00	(0.01)	(0.01)	(0.01)
Capital expenditures (\$)	11	-	69	70
Oil production (bbl/d)	112	126	116	138
Operating netback ⁽¹⁾ (\$/bbl)	99.26	9.62	48.66	46.35

(1) Non-IFRS and Other Financial Measures.

RESULTS OF OPERATIONS

Production	Three months ended		Year ended	
	2026	March 31, 2025	2026	March 31, 2025
Oil production (bbl)	10,115	11,323	42,170	50,206
Oil production (bbl/d)	112	126	116	138

The Company's share of total Cuisinier production in the current quarter was 10,115 bbls (112 bopd), a decrease of 11% compared to production of 11,323 bbls (126 bopd) in the fourth quarter of fiscal 2025.

The decrease in production was due to downhole issues in four Cuisinier wells deferring 30 bopd of production net to Bengal during downtime. Workover activities since Q1 fiscal 2026 have restored production from all wells however pre-workover production has yet to be achieved and due to a change in field measurement process by the Operator, the Company's allocated production has not been restored to historical decline-based expected volumes.

Revenue/Pricing

The following table outlines the oil lifting from bills of lading, pipeline oil estimates, applicable prices and oil sales reflected in the Company's financial statements:

	Three months ended		Year ended	
	2026	March 31, 2025	2026	March 31, 2025
Oil lifting				
Volume (000s bbls)	11.8	10.5	44.3	46.2
Weighted average price (USD/bbl)	83.27	79.95	71.14	82.87
Sales CAD\$ A	1,272	1,177	4,323	5,421
Pipeline oil				
Volume – change (000s bbls)	(1.6)	0.8	(2.1)	4.0
Price – change (USD/bbl)	31.83	(15.32)	32.51	(14.64)
Net sales – change CAD\$ B	339	(204)	289	137
Total oil sales CAD\$ A+B	1,611	973	4,612	5,558

The price received for Bengal's Australian oil sales is benchmarked on US Brent for the month in which the bill of lading occurs, plus a realized premium due to oil quality differences. Pipeline oil is the term used to describe oil moving along the pipeline from the wellhead to the port which has been legally transferred to the buyer but not priced and waiting to be sold. Lifting occurs when the oil is moved from the port to the ship.

The realized weighted average price of oil lifting sales was US\$83.27/bbl and US\$79.95/bbl for the current and previous year's quarters respectively, an increase of 4%. Brent reference price between the two fiscal quarters was 6% higher on average. During the fourth quarter of fiscal 2026, the value of the pipeline oil was \$0.3 million due to higher volume at period end March 31, 2026, valued at US\$100.05 per barrel, 48% higher than the same period in fiscal 2025.

Oil sales were \$1.6 million in the fourth quarter of fiscal 2026, an increase of 66%, \$0.6 million, compared to \$1.0 million in the fourth quarter of fiscal 2025. The increase in oil sales was comprised of the 12% higher volume of oil lifted as well as the \$0.5 million net change due to the higher pipeline oil price of \$100.05/bbl at March 31, 2026 compared to the lower oil price of US\$67.54/bbl at March 31, 2025. Oil sales were \$4.6 million for the year ended March 31, 2026, a 17% decrease compared to \$5.6 million for the year ended March 31, 2025. Factors include the 11% decline in Brent reference oil price as well as a 4% decrease in lifted sales volume between the year ended March 31, 2026 to the prior year ended March 31, 2025.

The following table outlines average benchmark prices:

	Three months ended		Year ended	
	2026	March 31, 2025	2026	March 31, 2025
Brent oil (\$/bbl)	110.00	108.81	97.22	109.57
Brent oil (USD/bbl)	80.21	75.81	70.20	78.73
Number of CAD\$ for 1 USD	1.37	1.44	1.38	1.39
Number of CAD\$ for 1 AUD	0.95	0.90	0.90	0.91

The following table outlines operating netback:

Operating netback ⁽¹⁾ (\$000s and \$/bbl)	Three months ended		Year ended	
	2026	March 31, 2025	2026	March 31, 2025
Oil sales	1,611	973	4,612	5,558
Royalties	(56)	(89)	(345)	(438)
Operating expense	(551)	(775)	(2,215)	(2,793)
Operating netback	1,004	109	2,052	2,327
Oil sales (\$/bbl)	159.27	85.93	109.37	110.70
Royalties (\$/bbl)	(5.54)	(7.86)	(8.18)	(8.72)
Operating expense (\$/bbl)	(54.47)	(68.45)	(52.53)	(55.63)
Operating netback (\$/bbl)	99.26	9.62	48.66	46.35

⁽¹⁾ See Non-IFRS and Other Financial Measures.

Operating netback was \$99.26/bbl for Q4 fiscal 2026 compared to \$9.62/bbl for Q4 fiscal 2025. This increase in operating netback was driven primarily by higher realized oil price of \$159.27/bbl compared to \$85.93/bbl, an increase of 85%. This was the result of oil sales of \$1.6 million in the fourth quarter of fiscal 2026, an increase of \$0.6 million, compared to \$1.0 million in the fourth quarter of fiscal 2025. The increase in oil sales was comprised of the 12% higher volume of oil lifted as well as the \$0.5 million net change due to the higher pipeline oil price of \$100.05/bbl at March 31, 2026 compared to the lower oil price of US\$67.54/bbl at March 31, 2025.

Operating netback for the year ended March 31, 2026 was \$48.66/bbl compared to \$46.35/bbl for the year ended March 31, 2025, an increase of 5%, lower operating expense contributing to majority of the per barrel change.

Royalties	Three months ended		Year ended	
	2026	March 31, 2025	2026	March 31, 2025
Royalty expense	56	89	345	438
\$/bbl	\$ 5.54	\$ 7.86	\$ 8.18	\$ 8.72
% of revenue	3.5%	9.1%	7.5%	7.9%

In Queensland Australia, oil royalties are based on a government-established rate net of eligible expenditures which scales according to benchmark oil prices plus a Native Title royalty of 1%.

Royalties of \$0.1 million for the three months ended March 31, 2026 were consistent between the three months

ended March 31, 2025 of \$0.1 million. Royalties as a % of revenue was 4% compared to the three months ended March 31, 2025 of 9%. The sales lifted component of \$1.2 million in the period was 61% of revenue due to the oil pipeline balance at March 31, 2026 of \$1.2 million, creating a lower percentage in the three months ended March 31, 2026. On an annual basis, royalty rate is expected to be 7% to 9% for the fiscal 2027.

Operating Expense (\$000s and \$/bbl)	Three months ended March 31,		Year ended March 31,	
	2026	2025	2026	2025
Production	105	382	610	1,034
Transportation	446	393	1,605	1,759
	551	775	2,215	2,793
Production (\$/bbl)	10.38	33.74	14.47	20.60
Transportation (\$/bbl)	44.09	34.71	38.06	35.04
	54.47	68.45	52.53	55.64

Total operating expense during the three months ended March 31, 2026 was \$0.6 million, or 29% lower than the fourth quarter of fiscal 2025, corresponding to lower production between the two periods. Increased transportation costs reflect the fact that the majority of transportation costs are fixed and production rates have declined during the quarter. Additionally, weather conditions during Q4 added additional transportation costs.

The operating expense for the year ended March 31, 2026 was \$2.2 million, 21% lower than year ended March 31, 2025 of 2.8 million, corresponding to lower production volumes of 16% between the two periods.

General and Administrative (G&A) Expense

G&A	Three months ended March 31,		Year ended March 31,	
	2026	2025	2026	2025
Net G&A expense	472	546	1,836	2,709
Capitalized G&A	-	-	-	19
Total G&A expense	472	546	1,836	2,728

Net G&A expense for the three months ended March 31, 2026, was \$0.5 million, \$0.1 million lower than the three months ended March 31, 2025, overall lower activity levels and reduced staffing levels and general cost control measures. Similarly net G&A expense for the year ended March 31, 2026 of \$1.8 million, was 33% lower than the year ended March 31, 2025 due to same factors as above.

Share-based Compensation (“SBC”)

SBC	Three months ended March 31,		Year ended March 31,	
	2026	2025	2026	2025
Expensed SBC	5	5	19	14
Capitalized SBC	-	-	-	4
	5	5	19	18

The Company uses the Black-Scholes pricing model to estimate the fair value of options on the date of grant and amortizes the estimated expense over the vesting period with a corresponding charge to contributed surplus. Options expire five years from the grant date.

Depletion and Depreciation (DD&A)

DD&A	Three months ended		Year ended	
	2026	March 31, 2025	2026	March 31, 2025
Petroleum and natural gas properties	(42)	(53)	707	879
Other assets	1	-	2	2
DD&A	(41)	(53)	709	881
DD&A (\$/bbl)	(4.05)	(4.68)	16.81	17.55

Depletion expense in Q4 fiscal 2026 was a credit of \$42 thousand, compared to a credit of \$53 thousand in Q4 fiscal 2025 which included a true-up for annual depletion related to future development costs.

Depletion expense in the year ended March 31, 2026 was \$0.7 million, 20% decrease compared to Q4 fiscal 2025 of \$0.9 million as production was lower in the year ended March 31, 2026.

Impairment

At the end of March 31, 2026, the Company identified indicators of impairment related to ATP 934, primarily due to the absence of budgeted or planned substantive expenditure for further exploration and evaluation activities in this specific project. The impairment charge of \$2.2 million reflects management's current assessment of the prospectivity and future capital plans for these assets.

As of March 31, 2025, the Company identified indicators of impairment related to its non-core tenure at ATP 752, primarily due to the absence of budgeted or planned substantive expenditure for further exploration and evaluation activities in the specific area, as well as the prioritization of the Company's 100% owned exploration assets, as outlined in the Company's internal assessment. The impairment charge of \$2.5 million reflects management's current assessment of the prospectivity and future capital plans for these assets.

As a result of these indicators, an impairment test was conducted in accordance with IAS 36, Impairment of Assets. The recoverable amount of the ATP 752 E&E assets was determined to be lower than their carrying amount, resulting in an impairment charge of \$2.5 million recognized in the consolidated statement of income (loss) for the three months ended March 31, 2025. The impairment charge reflects management's current assessment of the prospectivity and future capital plans for these assets.

Finance Expense

Finance Expense	Three months ended		Year ended	
	2026	March 31, 2025	2026	March 31, 2025
Accretion expense on decommissioning and restoration liability	35	39	128	152
Interest expense	45	24	187	117
	80	63	315	269

Accretion expense on decommissioning and restoration liabilities was consistent between the three months and year ended March 31, 2026, and March 31, 2025. Interest expense for three months and year ended March 31, 2026 stemmed from the Note Payable of \$1.7 million entered with a related party in March 2025 with interest rate of 10%.

CAPITAL EXPENDITURES

Capital expenditures	Three months ended		Year ended	
	2026	March 31, 2025	2026	March 31, 2025
Exploration and evaluation expenditures	-	-	(60)	14
Development and production expenditures	11	-	69	56
	11	-	9	70

Expenditures were minimal as the Company is looking to obtain additional financing and joint venture partners for capital development.

SHARE CAPITAL

Trading history	Three months ended		Year ended	
	2026	March 31, 2025	2026	March 31, 2025
High (\$/share)	0.04	0.01	0.04	0.04
Low (\$/share)	0.01	0.01	0.01	0.01
Close (\$/share)	0.04	0.01	0.04	0.01
Average Daily Volume	140,519	2,720	64,432	19,266
Weighted average shares outstanding (000s)				
Basic	485,304	485,304	485,304	485,304
Diluted	485,304	485,304	485,304	485,304

At June 15, 2026, there were 485,304,215 common shares issued and outstanding, together with 1,500,000 outstanding options.

LIQUIDITY RISK AND CAPITAL RESOURCES

Liquidity risk is the risk that the Company will not be able to meet its financial obligations, including work commitments, as they are due. Bengal prepares an annual budget and updates forecasts for operating, financing, and investing activities on an ongoing basis to ensure it will have sufficient liquidity to meet its liabilities when due.

Bengal's financial liabilities consist of trade and other payables and Note Payable totalling \$3.5 million at March 31, 2026 (March 31, 2025 - \$3.5 million). At March 31, 2026, the Company had a working capital deficit of \$0.1 million (March 31, 2025 – working capital of \$1.6 million), which the Company defines as total current assets less total current liabilities, excluding lease obligations and current portion of decommissioning obligations, and current Note Payable.

The Company also has significant capital work commitments associated with its exploration and evaluation assets that if unfulfilled could result in a loss of acreage (Note 22) and without future development could result in a decline in production and revenues with additional net cash used in operating activities. As outlined in note 2 of the consolidated financial statements, the Company has assessed that there is material uncertainty that may cast significant doubt about its ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to generate net cash from operating activities and/or raise additional financing to meet its ongoing operational requirements and to fund its future development costs associated with exploration and evaluation assets and petroleum and natural gas properties development.

Majority of the Company's oil sales are benchmarked on US Brent prices. The Company incurs most of its expenditures in Australian dollars whereas the Company generates most of its revenues in US dollars. The Company is acting with its joint venture partners to reduce discretionary operational spending and limiting its capital expenditures capital towards lower risk projects that meet its internal economic hurdles and are expected to offer near-term cash flow upside.

OFF BALANCE SHEET TRANSACTIONS

The Company does not have any off-balance sheet transactions as at March 31, 2026.

COMMITMENTS

The Queensland Government regulatory authority granted the Company Authority to Prospect 934 ("ATP 934") under a revised work program on March 1, 2015. The Company consolidated its ownership of ATP 934, resulting in a 100% and 40% operating interest in the northern and southern block of this permit respectively in 2018. The work program consists of 260 km² of 3D seismic and up to two wells. The Company has commenced a process to apply for an extension and revised work program at ATP 934 in exchange for relinquishment of non-prospective acreage. In February 2023, the Company extended its ATP 732 permit and received a Potential Commercial Area ("PCA") over 343 km². This included additional work commitments related to ATP 732 as outlined below. At March 31, 2026, the Company had the following capital work commitments:

Permit	Work Program	Obligation period ending	Estimated expenditure (net) (millions CAD\$) ⁽¹⁾
ATP 934 – Onshore Australia	260 km ² 3D seismic and up to three wells	February 2027	8.5
ATP 732 – Onshore Australia	Geological studies	February 2029	0.1

(1) Translated at March 31, 2026 at an exchange rate of AUD\$1.00 = CAD\$0.9571.

The Company entered into a lease agreement for office space in October 2023 with a contract term ending in February 2027. At March 31, 2026, the contractual obligations for which the Company is responsible are as follows:

Contractual obligations (000s)	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Office lease	21	21	-	-	-
Note Payable ⁽¹⁾	1,700	1,700	-	-	-
Decommissioning and restoration	3,117	-	719	-	2,398
	4,838	1,721	719	-	2,398

(1) The current portion the Note Payable \$14 thousand is classified as Trade and other payables.

RELATED PARTY TRANSACTIONS

On March 3, 2025, the Company entered into an agreement to refinance its Joint Venture payment plan. The \$1.7 million Note Payable is with Texada, a company controlled by a controlling shareholder and director of Bengal. During Q4 fiscal 2026, interest of \$42 thousand was accrued and due to Texada. Cash interest of \$42 thousand and \$184 thousand were paid in the three months and year ended March 31, 2026, respectively.

On April 6, 2026, the Company entered into a promissory note with Texada of \$1,145,000 ("Texada Loan") to fund the Company's joint venture share of the estimated rehabilitation costs bonding requirements.

On May 6, 2026, the Company issued an aggregate of 43,571,428 common shares of the Company (the "Common Shares") at \$0.035 per Common Share for aggregate gross proceeds of \$1,525,000. With respect to subscriptions for 4,285,714 of the Common Shares issued pursuant to the Offering, the Company paid a cash finder's fee equal to \$9,000 (6% of the gross proceeds from such subscriptions).

SELECTED QUARTERLY INFORMATION

Fiscal quarter ((\$000s except per share, volumes and operating netback ⁽¹⁾)	Mar 31 2026 Q4 2026	Dec 31 2025 Q3 2026	Sep 30 2025 Q2 2026	Jun 30 2025 Q1 2026	Mar 31 2025 Q4 2025	Dec 31 2024 Q3 2025	Sep 30 2024 Q2 2025	Jun 30 2024 Q1 2025
Oil sales (\$)	1,611	1,012	946	1,043	973	1,431	1,252	1,902
Cashflow from (used in) operating activities (\$)	(89)	(415)	(520)	281	(270)	298	(129)	(291)
Funds from (used in) operations ⁽¹⁾ (\$)	468	(129)	(402)	23	(502)	23	(294)	203
-Per share(\$)-basic and diluted Net income (loss)	(1,716)	(415)	(678)	(258)	(2,993)	(370)	(608)	(210)
-Per share(\$)-basic and diluted Capital expenditures (\$)	11	2	56	-	-	12	9	63
Working capital (deficit)	(0.1)	1,114	1,251	1,659	1,586	957	152	448
Total assets	29,190	30,059	30,756	30,244	30,635	33,558	35,494	35,326
Shares outstanding (000)	485,304	485,304	485,304	485,304	485,304	485,304	485,304	485,304
Operations:								
Oil production (bbl/d)	112	115	114	120	126	124	127	174
Operating netback ⁽¹⁾ (\$/bbl)	99.26	28.17	15.10	54.08	9.62	61.83	42.84	64.08

⁽¹⁾ See Non-IFRS and Other Financial Measures on page 12 of this MD&A.

Production declined materially during Q2 fiscal 2025 at the Cuisinier oil field when field allocations resulted in a 50 bbl/d decrease in production net to Bengal. Production was impacted in during the past four quarters due to downhole issues disrupting production at four wells. This decrease in production corresponded to decreases in revenue, funds from operations and income. Ongoing volatility in US Brent prices from Q3 fiscal 2025 to Q3 fiscal 2026 resulted in volatility in oil sales with the production declines impacting the current quarter as described above. Net income, cashflow and funds from operations were impacted primarily by production volumes. The impact of volatile commodity pricing and production decreases in the quarter impacted cash flow from operations. Working capital at Q3 2025 improved due to Joint Venture payment plan obtained in October 2024. Net loss in Q4 2025 was impacted by impairment expense of \$2.5 million associated with the non-prospective exploration acreage in the Barta block. The operating netback in Q4 2025 was lower due to the oil price collapse in Q4 2025 and the 22% lower production volumes, which negatively impacted the per barrel basis of the operating expense, resulting in overall operating netback of \$9.62 per barrel. Operating netback in Q2 2026 was lower on per barrel basis as the first three months of fiscal 2026 operating expense included a \$0.2 million credit, causing the operating expense for the second quarter of fiscal 2026 to be higher, in addition to the lower production base. Operating netback in Q4 2026 was positively impacted by increase in oil price due to the geopolitical conflict beginning in March 2026 as well as a \$0.5 million net change due to the higher pipeline oil price of \$100.05/bbl at March 31, 2026 compared to US\$67.54/bbl at March 31, 2025.

DISCLOSURE CONTROLS & PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR)

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation and includes controls and procedures designed to ensure that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to the Company's management, including its certifying officers, as appropriate to allow timely decisions regarding required disclosure.

The Chief Executive Officer and Chief Financial Officer oversee this evaluation process and have concluded that the design and operation of these disclosure controls and procedures are not effective due to the material weaknesses identified in internal controls over financial reporting as noted below. The Chief Executive Officer and Chief Financial Officer have individually signed certifications to this effect.

Internal Controls over Financial Reporting

The Chief Executive Officer and Chief Financial Officer of Bengal are responsible for designing and ensuring the operating effectiveness of internal controls over financial reporting (“ICFR”) or causing them to be designed and operating effectively under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Bengal’s certifying officers have assessed the design and operating effectiveness of internal controls over financial reporting and concluded that the Company’s ICFR were effective at March 31, 2026, with the exception of the material weaknesses noted below.

No changes in internal controls over financial reporting were identified during the period that have materially affected or are reasonably likely to materially affect the Company’s internal controls over financial reporting.

While Bengal’s Chief Executive Officer and Chief Financial Officer believe the Company’s internal controls and procedures provide a reasonable level of assurance that they are reliable, an internal control system cannot prevent all errors and fraud. It is management’s belief that any control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

During the design and operating effectiveness assessment, certain material weaknesses in internal controls over financial reporting were identified, as follows:

- Management is aware that there is a lack of segregation of duties due to the small number of employees dealing with general and administrative and financial matters. However, management believes that at this time the potential benefits of adding employees to clearly segregate duties do not justify the costs; and
- Bengal does not have full-time in-house personnel to address all complex and non-routine financial accounting issues and tax matters that may arise. It is not deemed as economically feasible at this time to have such personnel. Bengal relies on external experts for review and advice on complex financial accounting issues.

These material weaknesses in internal controls over financial reporting result in a reasonable possibility that a material misstatement will not be prevented or detected on a timely basis. Management and the Board of Directors work to mitigate the risk of material misstatement; however, management and the Board of Directors do not have reasonable assurance that this risk can be reduced to a remote likelihood of a material misstatement.

APPLICATION OF CRITICAL ACCOUNTING ESTIMATES

The timely preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities and income and expenses. Accordingly, actual results may differ from these estimates, which are reviewed on an ongoing basis.

Significant estimates and judgments made by management in the preparation of these financial statements are outlined below. The economic climate may have significant adverse impacts on the Company, including material declines in revenue and cash flows, and related impacts to working capital levels and/or debt balances, which may also have a direct impact on the Company’s operating results and financial position. These and other factors may adversely affect the Company’s liquidity and the Company’s ability to generate income and cash flows to meet the Company’s current and future obligations. A full discussion of the Company’s critical judgments and accounting estimates is included in its fiscal 2026 consolidated financial statements dated June 15, 2026.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the previous fiscal year as described in Note 3 of the Company’s consolidated financial statements for the year ended March 31, 2026.

NON-IFRS AND OTHER FINANCIAL MEASURES

Non-IFRS Financial Measures

Within this MD&A, references are made to terms commonly used in the oil and gas industry. Operating netback, operating netback per barrel, funds from (used in) operations, funds from (used in) operations per share, do not have any standardized meaning under IFRS and are referred to as non-IFRS measures. Management believes the presentation of the non-IFRS measures above provide useful information to investors and shareholders as the measures provide increased transparency and the ability to better analyze performance against prior periods on a comparable basis.

Operating Netback

Bengal utilizes operating netback as key performance indicator and is utilized by Bengal to better analyze the operating performance of its petroleum and natural gas assets against prior periods. Operating netback is calculated oil sales deducting royalties and operating expenses. The following table reconciles petroleum and natural gas revenue to operating netback:

Operating netback (\$000s)	Three months ended March 31,		Year ended March 31,	
	2026	2025	2026	2025
Oil sales	1,611	973	4,612	5,558
Royalties	(56)	(89)	(345)	(438)
Operating expense	(551)	(775)	(2,215)	(2,793)
Operating netback	1,004	109	2,052	2,327

Funds from (used in) operations

Management utilized funds from (used in) operations as a measure to assess the Company's ability to generate cash not subject to short-term movements in non-cash operating working capital. Funds from (used in) operations is calculated by adding back all non-cash expense deductions to the net loss for the period ended. The following table reconciles cash from operating activities to funds from operations, which is used in this MD&A:

Funds from (used in) operations (\$000s)	Three months ended March 31,		Year ended March 31,	
	2026	2025	2026	2025
Cash flow (used in) operating activities	(89)	(270)	(417)	(392)
Add back (deduct):				
Changes in non-cash working capital	557	(232)	377	(178)
Funds from (used in) operations	468	(502)	(40)	(570)

CAPITAL MANAGEMENT MEASURES

Working capital

Bengal uses working capital to monitor its capital structure, liquidity and its ability to fund current operations. Working capital is calculated as current assets less current liabilities but excludes other obligations and current portion of decommissioning obligations.

NON-IFRS FINANCIAL RATIOS

Bengal uses operating netback per boe to assess the Company's operating performance on a per unit of production basis. Operating netback per barrel equals operating netback divided by the applicable number of barrels of production.

Operating netback (\$/bbl)	Three months ended March 31		Year ended March 31	
	2026	2025	2026	2025
Oil sales	159.27	85.93	109.37	110.70
Royalties	(5.54)	(7.86)	(8.18)	(8.72)
Operating expense	(54.47)	(68.45)	(52.53)	(55.63)
Operating netback	99.26	9.62	48.66	46.35

Bengal uses funds from operations per share to assess the ability of the Company to generate the funds necessary for financing, operating, and capital activities on a per-share basis. This is a non-IFRS measure calculated by dividing funds from operations by weighted average basic and diluted shares outstanding for the periods disclosed.

ABBREVIATIONS

The following abbreviations used in this MD&A have the meanings set forth below:

bbl	-	barrel
bbl/d	-	barrels per day
\$/bbl	-	dollars per barrel

bopd	-	barrels of oil equivalent per day
FY	-	fiscal year
K	-	thousand
km	-	kilometres
km ²	-	square kilometres
Q1	-	three months ended June 30
Q2	-	three months ended September 30
Q3	-	three months ended December 31
Q4	-	three months ended March 31
WI	-	working interest
COSPA	-	crude oil sales and purchase agreement

RISK FACTORS

There are a number of risk factors facing companies that participate in the oil and gas industry. A complete list of risk factors is provided in Bengal's Annual Information Form dated June 30, 2025, filed on SEDAR at www.sedarplus.ca.

Companies engaged in the oil and gas industry are exposed to a number of business risks, which can be described as operational, financial and political risks, many of which are outside of the Company's control. More specifically, these include risks of economically finding Reserves and producing oil and gas in commercial quantities, marketing the production, commodity prices, environmental and safety risks, and risks associated with the foreign jurisdiction in which the Company operates. In order to mitigate these risks, the Company has an experienced base of qualified technical and financial personnel in Canada. Further, the Company has focused its foreign operations and plans to target future foreign operations in known and prospective hydrocarbon basins in jurisdictions that have previously established long-term oil and gas ventures with foreign oil and gas companies.

Bengal monitors and updates its cash projection models on a regular basis, which assists in the timing decision of capital expenditures. Farm-outs of projects may be arranged if capital constraints are an issue or if the risk profile dictates that Bengal wishes to hold a lesser working interest position. Equity, if available and if on favorable terms, may be utilized to help fund Bengal's capital program.

An investment in the shares of the Company should be considered speculative due to the nature of the Company's involvement in the exploration for and the acquisition, development and production of oil and natural gas in foreign countries, and its current stage of development. An investor should consider carefully the risk factors set out in the annual information form and consider all other information contained herein and, in the Company's other public filings before making an investment decision. Additional risks and uncertainties not currently known to the management of the Company may also have an adverse effect on Bengal's business and the information set out in the annual information form does not purport to be an exhaustive summary of the risks affecting Bengal.

Exploration, Development and Production Risks

Oil and natural gas exploration involves a high degree of risk, for which even a combination of experience, knowledge and careful evaluation may not be able to overcome. There is no assurance that expenditures made on future exploration by Bengal will result in new discoveries of oil or natural gas in commercial quantities. It is difficult to project the costs of implementing an exploratory drilling program due to the inherent uncertainties of drilling in unknown formations and the costs associated with encountering various drilling conditions such as over pressured zones, tools lost in the hole and changes in drilling plans and locations because of prior exploratory wells or additional seismic data and interpretations thereof.

The long-term commercial success of Bengal will depend on its ability to find, acquire, develop and commercially produce oil and natural gas Reserves. No assurance can be given that Bengal will be able to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, Bengal may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic.

Future oil and gas exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from

extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions. While diligent well supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees.

In addition, oil and gas operations are subject to the risks of exploration, development and production of oil and natural gas properties, including encountering unexpected formations or pressures, premature declines of reservoirs, blow-outs, cratering, sour gas releases, fires, and spills. Losses resulting from the occurrence of any of these risks could have a materially adverse effect on future results of operations, liquidity, and financial condition.

Bengal attempts to minimize exploration, development, and production risks by utilizing a high-end technical team with extensive experience and multidisciplinary skill sets to assure the highest probability of success in its drilling efforts. Bengal's team of seasoned veterans in the oil and gas business, each with a unique expertise in the various upstream to downstream technical disciplines of prospect generation to operations, provides the best assurance of competency, risk management and drilling success. A full cycle economic model is utilized to evaluate all hydrocarbon prospects. Detailed geological and geophysical techniques are regularly employed including 3D seismic, petrography, sedimentology, petrophysical log analysis and regional geological evaluation.

Risks Associated with Foreign Operations

International operations are subject to political, economic and other uncertainties, including, among others, risk of war, risk of terrorist activities, border disputes, expropriation, renegotiations or modification of existing contracts, restrictions on repatriation of funds, import, export and transportation regulations and tariffs, taxation policies, including royalty and tax increases and retroactive tax claims, exchange controls, limits on allowable levels of production, currency fluctuations, labor disputes, sudden changes in laws, government control over domestic oil and gas pricing and other uncertainties arising out of foreign government sovereignty over the Company's international operations. With respect to taxation matters, the governments, and other regulatory agencies in the foreign jurisdictions in which Bengal operates and intends to operate in the future may make sudden changes in laws relating to taxation or impose higher tax rates, which may affect Bengal's operations in a significant manner. These governments and agencies may not allow certain deductions in calculating tax payable that Bengal believes should be deductible under applicable laws or may have differing views as to values of transferred properties. This can result in significantly higher tax payable than initially anticipated by Bengal. In many circumstances, readjustments to tax payable imposed by these governments and agencies may occur years after the initial tax amounts were paid by Bengal, which can result in the Company having to pay significant penalties and fines. Furthermore, in the event of a dispute arising from international operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada.

Prices, Markets and Marketing of Crude Oil and Natural Gas

Oil and natural gas are commodities that have prices determined based on world demand, supply and other factors, all of which are beyond the control of Bengal. World prices for oil and natural gas have fluctuated in recent years due to geo-political matters. Any material decline in prices could result in a reduction of net production revenue. Certain wells or other projects may become uneconomic because of a decline in world oil prices and natural gas prices, leading to a reduction in the volume of Bengal's oil and gas Reserves. Bengal might also elect not to produce from certain wells at lower prices. All these factors could result in a material decrease in Bengal's future net production revenue, causing a reduction in its oil and gas acquisition and development activities. In addition to establishing markets for its oil and natural gas, Bengal must also successfully market its oil and natural gas to prospective buyers. The marketability and price of oil and natural gas, which may be acquired or discovered by Bengal, may be affected by numerous factors beyond its control.

The ability of Bengal to market its natural gas may depend upon its ability to acquire space on pipelines, which deliver natural gas to commercial markets. Bengal may also likely be affected by deliverability uncertainties related to the proximity of its Reserves to pipelines and processing facilities and related to operational problems with such pipelines and facilities and extensive government regulation relating to price, taxes, royalties, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and natural gas business.

Substantial Capital Requirements and Liquidity

Bengal's cash flow from its Reserves may not be sufficient to always fund its ongoing activities, as was the case in the current fiscal quarter. From time to time, Bengal may require additional financing to carry out its oil and gas

acquisition, exploration, and development activities. Failure to obtain such financing on a timely basis could cause Bengal to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. If Bengal's revenues from its Reserves decrease because of lower oil and natural gas prices or otherwise, it may affect Bengal's ability to expend the necessary capital to replace its Reserves or to maintain its production. If Bengal's funds from (used in) operations are not sufficient to satisfy its capital expenditure requirements or interest requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or available on terms acceptable to Bengal.

Bengal monitors and updates its cash projection models on a regular basis, which assists in the timing decision of capital expenditures. Farm outs of projects may be arranged if capital constraints are an issue or if the risk profile dictates that Bengal wishes to hold a lesser working interest position. Equity, if available and if on favorable terms, may be utilized to help fund Bengal's capital program.

Health, Safety and Environment

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, state, and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and natural gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned, and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach of applicable environmental legislation may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require the Company to incur costs to remedy such discharge.

Changing Regulation

Emission, carbon and other regulations impacting climate and climate related matter are dynamic and constantly evolving. With respect to environmental, social and governance ("ESG") and climate reporting, the International Sustainability Standards Board has issued an IFRS Sustainability Disclosure Standard with the aim to develop sustainability disclosure standards that are globally consistent, comparable, and reliable. In addition, the Canadian Securities Administrators have issued a proposed National Instrument 51-107 Disclosure of Climate related Matters. The cost to comply with these standards, and others that may be developed or evolve over time, has not yet been quantified by the Company.

Insurance

Bengal's involvement in the exploration for and development of oil and gas properties may result in the Company becoming subject to liability for pollution, blow-outs, property damage, personal injury, or other hazards. Although Bengal has insurance in accordance with industry standards to address such risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not, in all circumstances be insurable or, in certain circumstances, Bengal may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to Bengal. The occurrence of a significant event that Bengal is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on Bengal's financial position, results of operations or prospects.

Competition

Bengal actively competes for reserve acquisitions, exploration leases, licenses and concessions and skilled industry personnel with a substantial number of other oil and gas companies, many of which have significantly greater financial and personnel Resources than Bengal. Bengal's competitors include major integrated oil and natural gas companies and numerous other independent oil and natural gas companies and individual producers and operators. Bengal's ability to successfully bid on and acquire additional property rights, to discover Reserves, to participate in drilling opportunities and to identify and enter into commercial arrangements with customers will be dependent upon developing and maintaining close working relationships with its future industry partners and joint operators and its ability to select and evaluate suitable properties and to consummate transactions in a highly competitive environment.

Significant counterparty

Bengal's operating activities are conducted primarily with a single counterparty responsible for the operations of the Cuisinier field as well as the transportation, marketing and sales of all the Company's production and is responsible for the schedule of oil liftings and ultimate payment for oil sales. This counterparty invoices Bengal for all transportation costs and collects JV payments associated with development and operations as well as collects for and distributes proceeds of oil sales to Bengal. The material working capital assets and liabilities held by a single counterparty without a right to offset may create a liquidity risk.

ADDITIONAL INFORMATION

Additional information relating to Bengal is filed on SEDAR and can be viewed at www.sedarplus.ca. Information can also be obtained by contacting the Company at Bengal Energy Ltd., Suite 640, 630 – 6th Avenue SW., Calgary, Alberta T2P 0S8, by email to info@bengalenergy.ca or by accessing Bengal's website at www.bengalenergy.ca.

FORWARD-LOOKING STATEMENTS

Certain statements contained within this MD&A constitute "forward-looking statements" or "forward-looking information" ("forward-looking statements") as defined by applicable securities laws. These statements relate to future events or Bengal's future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek," "anticipate," "budget," "plan," "continue," "estimate," "expect," "forecast," "may," "will," "project," "predict," "potential," "targeting," "intend," "could," "might," "should," "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Bengal believes the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon. The projections, estimates and beliefs contained in such forward-looking statements are based on management's estimates, opinions, and assumptions at the time the statements were made, including assumptions relating to: the impact of economic conditions in North America and Australia and globally; industry conditions; changes in laws and regulations including, without limitation, the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced; increased competition; the availability of qualified operating or management personnel; fluctuations in commodity prices, foreign exchange or interest rates; stock market volatility and fluctuations in market valuations of companies with respect to announced transactions and the final valuations thereof; results of exploration and testing activities; and the ability to obtain required approvals and extensions from regulatory authorities.

In particular, this MD&A contains forward-looking statements pertaining to the following:

- Oil and natural gas production levels;
- The size of the oil and natural gas Reserves;
- The adverse impacts on the Company as a result of the current challenging economic climate;
- Bengal's drilling program and waterflood program;
- The belief that the Cooper Basin assets offer attractive upside potential for oil and gas;
- The planned 100% free carried well on the ATP 934 Barrolka and the expected assistance in de-risking the natural gas potential of the permit;
- The timing of equipping for production cased wells;
- The continued engagement in early-stage discussions with third parties with respect to potential business combination transactions;
- The continued integration of subsurface data from production licenses in the selection of exploration and appraisal drilling locations;
- Projections of market prices and costs including, but not limited to, expected royalty rates;
- Expectations regarding the ability to raise capital and to continually add to Reserves through acquisitions and development;
- That required payments will be met out of operational cash flows and alternative forms of financing;
- Bengal's ability to finance its potential working capital deficiency and to source funds for the same;
- Treatment under governmental regulatory regimes and tax laws;
- Capital expenditures program and estimates of costs; and
- That funding of working capital requirements, commitments and other planned expenses will be by cash on hand, cash flows, farm-outs, joint ventures, share issuances or other alternative forms of capital raising and funds will be sufficient to meet requirements including but not limited to Bengal's exploration activities through fiscal 2026 and its capital program.
- The likelihood of recoveries from joint venture audits with respect to expenditure and production allocation

The forward-looking statements contained herein are subject to numerous known and unknown risks and uncertainties that may cause Bengal's actual results, performance or achievement to differ materially from those expectations expressed in, or implied by, these forward-looking statements, including but not limited to, risks associated with:

- Fluctuations in commodity prices, foreign exchange or interest rates;
- Changes in the demand for or supply of Bengal's products;
- Liabilities inherent in oil and natural gas operations;
- The failure to obtain required regulatory approvals or extensions;
- The failure to satisfy the conditions under farm-in and joint venture agreements;
- The failure to secure required equipment and personnel;
- Changes in general global economic conditions including, without limitations, the economic conditions in North America and Australia;
- Uncertainties associated with estimating oil and natural gas Reserves;
- Increased competition for, among other things: capital, acquisitions of Reserves, undeveloped lands and skilled personnel;
- The availability of qualified operating or management personnel; and lack of in Country management associated with operating and exploration assets;
- Incorrect assessment of the value of acquisitions;
- Inability to meet commitments due to inability to raise funds or complete farm-outs;
- Geological, technical, drilling and processing problems;
- Bengal's development and exploration opportunities;
- The results of exploration and development drilling and related activities;
- Changes in laws and regulations including, without limitation, the adoption of new environmental, royalty and tax laws and regulations and changes in how they are interpreted and enforced;
- The ability to access sufficient capital from internal and external sources; and
- Counter-party credit risk, stock market volatility and market valuation of Bengal's stock.
- Weather

Statements relating to "Reserves" or "Resources" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, which the Resources and Reserves described, can be profitably produced in the future. Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. The forward-looking statements contained in this document speak only as of the date of this document and Bengal does not assume any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable securities laws. Additional information on these and other factors that could affect Bengal's operations and financial results are included in reports on file with Canadian securities authorities and may be accessed through the SEDAR website at www.sedarplus.ca, and at Bengal's website www.bengalenergy.ca.

Disclosure of Oil and Gas Information

Unless otherwise specified, Reserves data set forth in this document is based upon an independent reserve assessment and evaluation prepared by GLJ with an effective date of March 31, 2025 (the "GLJ Report"). The GLJ Report has been prepared in accordance with the standards contained in the Canadian Oil and Gas Evaluation Handbook (the "COGE Handbook") and the reserve definitions contained in National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities.

This document discloses unbooked drilling locations. Unbooked locations are internal estimates based on the Company's prospective acreage and an assumption as to the number of wells that can be drilled per area based on industry practice and internal review. Unbooked locations do not have attributed Reserves or Resources. There is no certainty that the Company will drill all unbooked drilling locations and if drilled there is no certainty that such locations will result in additional oil and gas Reserves, Resources or production. The drilling locations on which the Company actually drill wells will depend upon the availability of capital, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors.

Test Rates

References in this MD&A to production test rates are useful in confirming the presence of hydrocarbons; however, such rates are not determinative of the rates at which such wells will commence production and decline thereafter and are not indicative of long-term performance or ultimate recovery. Readers are cautioned not to place reliance on such rates in calculating the aggregate production for the Company. A pressure transient analysis or well-test interpretation has not been carried out in respect of all wells. Accordingly, the Company cautions that the test results are historical and not indicative of expected production.

Internal Estimates

Certain information contained herein is based on estimated values the Company believes to be reasonable and are subject to the same limitations as discussed under "Forward-looking Statements" above.

CORPORATE INFORMATION

AUDITORS

MNP LLP • Calgary, Canada

LEGAL COUNSEL

Burnet, Duckworth & Palmer LLP • Calgary, Canada
Piper Alderman • Sydney, Australia

BANKERS

Royal Bank of Canada • Calgary, Canada
Commonwealth Bank • Sydney, Australia

REGISTRAR AND TRANSFER AGENT

Computershare • Toronto, Canada

DIRECTORS

Chayan Chakrabarty
Dr. Brian J. Moss
Barry Herring
W. B. (Bill) Wheeler
R. Neal Grant

DISCLOSURE COMMITTEE

Chayan Chakrabarty
Jerrad Blanchard

AUDIT COMMITTEE

Barry Herring (Chairman)
W. B. (Bill) Wheeler
R. Neal Grant

RESERVES COMMITTEE

Dr. Brian J. Moss (Chairman)
Barry Herring
R. Neal Grant

COMPENSATION COMMITTEE

Dr. Brian J. Moss (Chairman)
Barry Herring
R. Neal Grant

GOVERNANCE AND NOMINATING COMMITTEE

W.B. (Bill) Wheeler (Chairman)
Dr. Brian J. Moss
Barry Herring

HEALTH, SAFETY AND ENVIRONMENT COMMITTEE

R. Neal Grant (Chairman)
W. B. (Bill) Wheeler
Dr. Brian J. Moss

OFFICERS

Chayan Chakrabarty, President & Chief Executive Officer
Richard N. Edgar, Executive Vice President
Jerrad Blanchard, Chief Financial Officer
Bruce Allford, Secretary

STOCK EXCHANGE LISTING – TSX: BNG



Consolidated Financial Statements

Years ended March 31, 2026 and 2025

To the Shareholders of Bengal Energy Ltd.:

Opinion

We have audited the consolidated financial statements of Bengal Energy Ltd. and its subsidiaries (the "Company"), which comprise the consolidated statement of financial position as at March 31, 2026 and March 31, 2025, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at March 31, 2026 and March 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the consolidated financial statements, which indicates that the Company incurred a net loss of \$3.1 million and had net cash used in operating activities of \$0.4 million during the year ended March 31, 2026. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our report.

The impact of petroleum and natural gas reserves on petroleum and natural gas properties

Key Audit Matter Description

We refer to Note 3, 5, and 8. The Company had \$17.7 million of petroleum and natural gas properties as at March 31, 2026. Depletion expense was \$0.7 million for the year then ended. The Company depletes its petroleum and natural gas properties on a unit-of-production basis over the life of their proved plus probable (2P) reserves. The company did not identify any indicators of impairment on its petroleum and natural gas properties. Key assumptions developed by management to determine 2P reserves include forward price estimates, expected future rates of production, the amount and timing of future development expenditures, and future royalties and operating expenditures. The Company's reserves are evaluated by an independent qualified reserve evaluator (management's expert).

We identified the impact of petroleum and natural gas reserves on petroleum and natural gas properties as a key audit matter due to:

- The significant estimates and judgments used by management, including the use of management's expert, to estimate the 2P reserves.
- The significant auditor judgment required.
- The effort in performing procedures related to the key assumptions used.

Audit Response

We responded to this matter by performing procedures in relation to the impact of petroleum and natural gas reserves on petroleum and natural gas properties. Our audit work in relation to this included, but was not restricted to, the following:

- Evaluated the competence, capabilities and objectivity of the independent qualified reserve evaluator engaged by the Company, who estimated the 2P reserves. We evaluated the methodology used by the independent qualified reserves evaluator to estimate the 2P reserves for compliance with the applicable regulatory standards. Procedures included gaining an understanding of the work performed by management's expert, testing the data and assumptions used by management's expert, and evaluating their findings.
- Evaluated the key assumptions used by management in determining 2P reserves and the reasonableness thereof. Procedures included:
 - Testing of forward price estimates by comparing to third-party industry forecasts.
 - Using the past and current performance of the Company to evaluate expected future rates of production and the timing and amount of future development expenditures.
 - Assessing whether the estimates used were consistent with audit evidence gathered in other areas of our audit.
 - Compared the current year actual production volumes, royalty rates, operating and capital costs to those estimates used in the prior year estimate of proved reserves to assess the Company's ability to accurately forecast.
 - Obtained an understanding of the Company's processes and controls over the 2P reserves, assessment of the recoverable amount and depletion expense.
 - Recalculated depletion expense.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Stephen Bonnell.

Calgary, Alberta

June 15, 2026

MNP LLP

Chartered Professional Accountants

BENGAL ENERGY LTD.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Thousands of Canadian dollars)

	Note	As at March 31,	
		2026	2025
Assets			
Current assets			
Cash and cash equivalents		\$ 308	\$ 708
Accounts receivable	6	2,214	1,682
Prepays and deposits		893	980
		3,415	3,370
Exploration and evaluation assets	7	8,080	9,708
Property, plant and equipment	8	17,695	17,557
		\$ 29,190	\$ 30,635
Liabilities and Shareholders' Equity			
Current liabilities			
Trade and other payables		\$ 1,782	\$ 1,794
Note payable	10	1,700	-
		3,482	1,794
Note payable	10	-	1,700
Decommissioning and restoration liability	11	3,117	3,105
		6,599	6,599
Shareholders' Equity			
Share capital	12	118,796	118,796
Contributed surplus		8,173	8,154
Accumulated other comprehensive loss		(1,291)	(2,894)
Deficit		(103,087)	(100,020)
		22,591	24,036
		\$ 29,190	\$ 30,635

Going concern (Note 2)

Commitments (Note 22)

Subsequent events (Note 25)

See accompanying notes to the consolidated financial statements.

Signed on behalf of the Board:

[SIGNED]

Dr. Brian J. Moss

[SIGNED]

Barry Herring

BENGAL ENERGY LTD.

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Thousands of Canadian dollars, except per share amounts)

	Note	Year ended March 31,	
		2026	2025
Revenue			
Oil sales	14	4,612	5,558
Royalties		(345)	(438)
		4,267	5,120
Expenses			
General and administrative		1,836	2,709
Operating		2,215	2,793
Depletion and depreciation	8	709	881
Impairment	7	2,190	2,530
Share-based compensation	13	19	14
Foreign exchange loss		50	32
		(2,752)	(3,839)
Other expense			
Loss on disposition of equipment	8	-	73
Finance expense	17	315	269
		315	342
Net loss		(3,067)	(4,181)
Exchange differences on translation of foreign operations		1,603	493
Net comprehensive loss		\$ (1,464)	\$ (3,688)
Net loss per share			
- basic and diluted	15	\$ (0.01)	\$ (0.01)
Weighted average shares outstanding (000s)			
- basic	15	485,304	485,304
- diluted	15	485,304	485,304

See accompanying notes to the consolidated financial statements.

BENGAL ENERGY LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Thousands of Canadian dollars)
(unaudited)

	For year ended March 31,	
	2026	2025
Share capital		
Balance at beginning of year	\$ 118,796	\$ 118,796
Balance at end of year	118,796	118,796
Contributed surplus		
Balance at beginning of year	8,154	8,136
Share-based compensation – expensed	19	14
Share-based compensation – capitalized	-	4
Balance at end of year	8,173	8,154
Accumulated other comprehensive loss		
Balance at beginning of year	(2,894)	(3,387)
Exchange differences translation of foreign operations	1,603	493
Balance at end of year	(1,291)	(2,894)
Deficit		
Balance at beginning of year	(100,020)	(95,839)
Net loss	(3,067)	(4,181)
Balance at end of year	(103,087)	(100,020)
Total Shareholders' Equity	\$ 22,591	\$ 24,036

See accompanying notes to the consolidated financial statements.

BENGAL ENERGY LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Thousands of Canadian dollars)

		Year ended March 31,	
		2026	2025
Operating activities:			
Net loss		(3,067)	(4,181)
Add (deduct) non-cash items:			
Depletion and depreciation	8	709	881
Impairment	7	2,190	2,530
Accretion on decommissioning liability	11	128	152
Share-based compensation	13	19	14
Loss on disposition of equipment	8	-	73
Unrealized foreign exchange (gain)		(19)	(39)
Funds (used in) operations		(40)	(570)
Change in non-cash working capital	21	(377)	178
Net cash (used in) operating activities		(417)	(392)
Investing activities:			
Exploration and evaluation expenditures	7	60	(14)
Property, plant and equipment expenditures	8	(69)	(56)
Proceeds on disposition of equipment	8	-	193
Research and development credits received	8	-	133
Change in non-cash working capital	21	-	9
Net cash (used in) from investing activities		(9)	265
Financing activities:			
Note payable borrowed	10	-	1,714
Change in non-cash working capital	21	(2)	(1,575)
Net cash (used in) from financing activities		(2)	139
Net change in cash and cash equivalents		(428)	12
Cash and cash equivalents, beginning of year		708	692
Impact of foreign exchange		28	4
Cash and cash equivalents, end of year		308	708

See accompanying notes to consolidated financial statements.

BENGAL ENERGY LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years ended March 31, 2026 and 2025

(Tabular amounts are stated in thousands of Canadian dollars except share and per share amounts)

1. REPORTING ENTITY

Bengal Energy Ltd. (the “Company” or “Bengal”) is incorporated under the laws of the Province of Alberta and is involved in the exploration, development, and production of oil and gas reserves in Australia. The consolidated financial statements (the “financial statements”) of the Company as at March 31, 2026 and 2025 and for the years ended March 31, 2026 and 2025 are comprised of the Company and its wholly owned subsidiaries including Bengal Energy Australia (Pty) Ltd. (“Bengal Pty”) and Bengal Energy International Inc., which were incorporated in Australia and Canada respectively. The Company conducts many of its activities jointly with others; these financial statements reflect only the Company’s proportionate interest in such activities.

The Company has its registered office at 2400, 525 – 8th Avenue SW, Calgary, Alberta T2P 1G1 and its head and principal office at Suite 640, 630 – 6th Avenue SW, Calgary, Alberta, Canada, T2P 0S8.

2. BASIS OF PREPARATION AND GOING CONCERN

These financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (“IASB”). Please see Note 3 for material accounting policies.

These financial statements were approved and authorized for issuance by the Board of Directors on June 15, 2026.

The consolidated financial statements are prepared on a historical cost basis except as detailed herein. The Company’s presentation currency is Canadian dollars. The functional currency of the Canadian parent entity is Canadian dollars; the functional currency of the Australian subsidiary is Australian dollars.

Going Concern

These financial statements have been prepared on a going concern basis. The going concern basis assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

At March 31, 2026, the Company had a working capital deficit of \$0.1 million (March 31, 2025 positive working capital of \$1.6 million), which the Company defines as total current assets less total current liabilities, generated a net loss of \$3.1 million (year ended March 31, 2025 – net loss of \$4.2 million), and had net cash used in operating activities of \$0.4 million (year ended March 31, 2025 - net cash used in operating activities of \$0.4 million).

The Company’s working capital includes both accrued accounts receivable, accounts payable, and notes payable. The Company does not have the legal right to offset these accounts and therefore there is a risk that the inability to collect on accrued receivables could impair Bengal’s ability to pay joint venture liabilities resulting in a default under the Cuisinier Joint Operating Agreement. This default could result in the Company losing some or all its working interest in the Cuisinier field. The Company also has significant capital work commitments associated with its exploration and evaluation assets that if unfulfilled could result in a loss of acreage (Note 22) and without future development could result in a decline in production and revenues with additional net cash used in operating activities.

The Company’s ability to continue as a going concern is dependent upon its ability to generate net cash from operating activities and/or raise additional financing to meet its ongoing operational requirements and to fund its future development costs associated with exploration and evaluation assets and petroleum and natural gas properties development. There can be no assurances about generating net cash from operating activities or that additional financing will be available for the Company. This could result in a continued decline in production and revenues with additional net cash used in operating activities. These matters create material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. These adjustments could be material.

BENGAL ENERGY LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years ended March 31, 2026 and 2025

(Tabular amounts are stated in thousands of Canadian dollars except share and per share amounts)

Evolving Demand for Energy - Changing Regulation

Emission, carbon, and other regulations impacting climate and climate-related matters are dynamic and constantly evolving. With respect to environmental, social, and governance (“ESG”) and climate reporting, the International Sustainability Standards Board has issued an IFRS Sustainability Disclosure Standard with the aim to develop sustainability disclosure standards that are globally consistent, comparable, and reliable. In addition, the Canadian Securities Administrators have issued a proposed National Instrument 51-107 Disclosure of Climate-related Matters. The cost and financial reporting impact of compliance with these standards, and others that may be developed or evolve over time, has not yet been quantified by the Company.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Company and its subsidiaries.

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its wholly owned subsidiaries of Bengal Energy Australia (Pty) Ltd. and Bengal Energy International Inc.

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity to obtain the benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of subsidiaries are included in the financial statements from the date that control commences until the date that control ceases.

The Company recognizes in the financial statements its proportionate share of the assets, liabilities, revenues and expenses of its joint operations. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

(b) Cash and cash equivalents

Cash and cash equivalents include cash and all investments with an original maturity of three months or less.

(c) Foreign currency translation

The financial statements are presented in Canadian dollars, which is the Canadian parent entity’s functional and presentation currency, and the functional currency of the Australian subsidiary is Australian dollars. For the accounts of foreign operations, assets and liabilities are translated at period end exchange rates, while revenues and expenses are translated using average rates over the period. Translation gains and losses relating to the foreign operations are included in accumulated other comprehensive income, a component of equity. Foreign currency transactions are translated into the legal entity’s functional currency at the exchange rate in effect at the transaction; and any gains or losses are recorded in profit or loss.

(d) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax “risk-free” rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance expense. Provisions are not recognized for future operating losses.

Decommissioning and restoration liabilities

Decommissioning liabilities are measured at the present value of management’s best estimate of the expenditures required to settle the present obligation at the period end date. Subsequent to the initial

BENGAL ENERGY LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years ended March 31, 2026 and 2025

(Tabular amounts are stated in thousands of Canadian dollars except share and per share amounts)

measurement, the obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as finance costs whereas increases/decreases due to changes in the estimated future cash flows are capitalized. Actual costs incurred upon settlement of the asset retirement obligations are charged against the provision to the extent the provision was established.

(e) Exploration and evaluation assets (“E&E assets”)

All costs incurred prior to obtaining the legal right to explore an area are expensed when incurred.

Generally, costs directly associated with the exploration and evaluation of crude oil and natural gas reserves are initially capitalized. Exploration and evaluation costs are those expenditures for an area where technical feasibility and commercial viability have not yet been demonstrated. These costs include unproved property acquisition costs, geological and geophysical costs, sampling and appraisals, drilling and completion costs and capitalized decommissioning costs.

Costs are held in exploration and evaluation assets until the technical feasibility and commercial viability of the project is established. Amounts are reclassified to petroleum and natural gas properties once probable reserves have been assigned to the field. If probable reserves have not been established through the completion of exploration and evaluation activities and there are no future plans for activity in that field, then the exploration and evaluation expenditures are determined to be impaired, and the amounts are charged to profit or loss.

(f) Petroleum and natural gas properties (“PNG Properties”)

Petroleum and natural gas properties are stated at cost less accumulated depreciation and depletion and accumulated impairment losses. The initial cost of a petroleum and natural gas property is comprised of its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the decommissioning obligation, and for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid, and the fair value of any other consideration given up to acquire the asset.

Subsequent costs

Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of property, plant, and equipment are recognized as oil and natural gas interests only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in profit or loss as incurred. Such capitalized oil and natural gas interests represent costs incurred in developing proved and/or probable reserves and bringing in or enhancing production from such reserves and are accumulated on a field or geotechnical area basis. The carrying amount of any replaced or sold component is derecognized. The costs of the day-to-day servicing of property, plant, and equipment are recognized in profit or loss as incurred.

Depletion and depreciation

The net book value of producing assets is depleted on a field-by-field basis using the unit of production method with reference to the ratio of production in the year to the related proved and probable reserves, taking into account estimated future development costs necessary to bring those reserves into production. For purposes of these calculations, production, and reserves of natural gas are converted to barrels on an energy equivalent basis. Other assets are depreciated on a declining basis at rates ranging from 20% to 30% per annum.

Gains and losses on disposal of an item of property, plant, and equipment, including oil and natural gas interests, are determined by comparing the proceeds from disposal with the carrying amount of property, plant, and equipment and are recognized as separate line items in profit or loss.

BENGAL ENERGY LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years ended March 31, 2026 and 2025

(Tabular amounts are stated in thousands of Canadian dollars except share and per share amounts)

(g) Impairment

E&E assets and PNG Properties

E&E assets are assessed for impairment when facts and circumstances suggest that the carrying amount exceeds the recoverable amount and when they are reclassified to petroleum and natural gas properties. For impairment testing, E&E assets are grouped by concession or production field with other E&E assets belonging to the same concession or production field. The impairment loss will be calculated as the excess of the carrying value over recoverable amount of the E&E impairment grouping and any resulting impairment loss is recognized in profit or loss. Recoverable amount is determined as the higher of the value in use or fair value less costs to sell.

At the end of each reporting period, the Company reviews the petroleum and natural gas properties for external or internal circumstances that indicate that the petroleum and natural gas properties may be impaired. Assets are grouped together into cash-generating units ("CGU"s) which is the lowest level at which there are identifiable cash inflows that are largely independent of the cash flows of other groups of assets. If any such indication of impairment exists, the Company makes an estimate of its recoverable amount. A CGU's recoverable amount is the higher of its fair value less costs to sell ("FVLCS") and its value in use ("VIU"). At March 31, 2026, the Company has one producing CGU, the Cuisinier field located in the Cooper Basin in Australia, (the "Cuisinier CGU").

The FVLCS is determined as the amount that would be obtained from the sale of a CGU in an arm's length transaction between knowledgeable and willing parties. The VIU is generally determined as the net present value of the estimated future cash flows expected to arise from the continued use of the CGU, including any expansion prospects, and its eventual disposal, using assumptions that an independent market participant may take into account. The cash flows are discounted by an appropriate discount rate which would be applied by such a market participant to arrive at a net present value of the CGU.

An impairment is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses, if any, are recognized on the consolidated statement of profit or loss.

At the end of each subsequent reporting period, impairment losses are assessed for indicators of impairment reversal. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined, net of depletion or amortization, had no impairment loss have been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized profit or loss.

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost, the reversal is recognized in profit or loss.

BENGAL ENERGY LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years ended March 31, 2026 and 2025

(Tabular amounts are stated in thousands of Canadian dollars except share and per share amounts)

(h) Financial instruments

Financial instruments comprise of cash and cash equivalents, trade and other accounts receivable, derivative contracts, trade and other payables and note payable.

i. Classification and measurement of financial assets:

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at fair value through profit or loss ("FVTPL"):

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at fair value through other comprehensive income ("FVOCI") if it meets both of the following conditions and is not designated at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Upon initial recognition, a financial asset is measured at: amortized cost, FVOCI - classified as a debt or equity investment, or FVTPL.

Financial liabilities are measured at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in income. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method.

Cash and cash equivalents, accounts receivables, trade and other payables are considered financial instruments. The fair values of these financial instruments approximate their carrying amounts due to their short-term maturity. The two-year note payable is at a fixed rate and due on demand, therefore carrying value is considered equal to fair value. The Company has classified cash and cash equivalents, trade and other accounts receivable, and trade and other payables as amortized cost.

ii. Classification and measurement of financial liabilities:

Financial liabilities are classified and measured at amortized cost or FVTPL. A financial liability is classified at FVTPL if it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

iii. Derivative financial instruments

The Company may enter into certain financial derivative contracts in order to manage the exposure to market risks from fluctuations in commodity prices. These instruments are not used for trading or speculative purposes. The Company does not designate its financial derivative contracts as effective accounting hedges and therefore will not apply hedge accounting, even though the Company considers all commodity contracts to be economic hedges. As a result, all derivative contracts are classified as FVTPL and are recorded on the statement of financial position at fair value. Transaction costs are recognized in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein will be recognized immediately in profit or loss.

BENGAL ENERGY LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years ended March 31, 2026 and 2025

(Tabular amounts are stated in thousands of Canadian dollars except share and per share amounts)

The Company may enter into physical delivery sales contracts for the purposes of receipt or delivery of non-financial items in accordance with its expected purchase, sale or usage requirements as executory contracts. As such, these contracts are not considered to be derivative financial instruments and will not be recorded at fair value on the statement of financial position. Settlements on these physical delivery contracts will be recognized in petroleum and natural gas revenue in the period of settlement.

(i) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity, net of any tax effects.

(j) Share-based compensation

The Company accounts for share-based compensation granted to directors, officers, employees, and consultants using the Black-Scholes option-pricing model to determine the fair value of the options at grant date. An estimated forfeiture rate is incorporated into the fair value calculated and adjusted to reflect the actual number of options that vest. Share-based compensation expense is recorded and reflected as share-based compensation expense over the vesting period with a corresponding amount reflected in contributed surplus. At exercise, the associated amounts previously recorded as contributed surplus are reclassified to share capital.

(k) Revenue recognition

The nature of the Company's performance obligations, including roles as third parties and partners, are evaluated to determine if the Company acts as a principal. The Company recognizes revenue on a gross basis when it acts as the principal and has primary responsibility for the transaction. Revenue is recognized on a net basis if the Company acts in the capacity of an agent rather than as a principal.

Revenue from the sales of crude oil is based on the consideration specified in the Crude Oil Sales and Purchase Agreement ("COSP Agreement") with the joint venture operator. Revenue is recognized when it transfers control of the product to the joint venture operator, which is generally at the time the joint venture operator obtains legal title of the crude oil and it is physically delivered to the pipeline at an estimated transaction price based on average US Brent price and is adjusted for quality and other factors specified in the COSP Agreement once the product is shipped to the end customer and lifted.

(l) Per share amounts

Basic per-share amounts are computed by dividing net income (loss) by the weighted average number of common shares outstanding for the period. Diluted per share amounts are calculated giving effect to the potential dilution that would occur if stock options or other dilutive instruments were exercised into common shares. The treasury stock method assumes that any proceeds upon the exercise of dilutive instruments, including remaining unamortized compensation costs, would be used to purchase common shares at the average market price of the common shares during the period.

(m) Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is recognized providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected

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to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(n) Determination of fair value

A number of the Company's accounting policies and disclosures required the determination of fair value, both for financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Fair Value Hierarchy

Financial instruments that are measured subsequent to initial recognition at fair value are grouped into three categories based on the degree to which fair value is observable:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis;

Level 2 - Valuations are based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; including forward prices for commodities, time value and volatility factors which can be substantially observed or corroborated in the marketplace;

Level 3 - Inputs that are not based on observable data for the asset or liability.

The Company's financial instruments comprise cash and cash equivalents, trade and other accounts receivable and trade and other payables and note payable.

The Company's policy is to recognize transfers in and out of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfer. There were no such transfers during the period.

4. NEW ACCOUNTING POLICIES

On April 1, 2025, the Company adopted amendments to IAS 1 Presentation of financial statements regarding classification of liabilities as current or non-current. The amendment clarifies that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. These amendments to IAS 1 did not have a material impact on the Company's financial statements.

Future Accounting Pronouncements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements ("IFRS 18"), which will replace IAS 1 and includes requirements for all entities applying IFRS Accounting Standards for the presentation and disclosure of information in the financial statements. IFRS 18 will introduce new totals, subtotals, and categories for income and expenses in the statement of income, as well as requiring disclosure about management-defined performance measures and additional requirements regarding the aggregation and disaggregation of certain information. It will be effective for annual periods beginning on or after January 1, 2027, with earlier adoption permitted, and it must be adopted on a retrospective basis. The Company is currently evaluating the impact on its financial statements.

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In May 2024, the IASB issued amendments to IFRS 9 Presentation and Disclosure in Financial Instruments and IFRS 7 Financial Instruments: Disclosures relating to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets. The amendments are effective for annual periods beginning on or after January 1, 2026 and are not expected to have a material impact on the Company's financial statements.

5. MANAGEMENT JUDGMENTS AND ESTIMATES

The timely preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities and income and expenses. Accordingly, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Significant estimates and judgments made by management in the preparation of these financial statements are outlined below.

The economic climate may have significant adverse impacts on the Company, including material declines in revenue and cash flows, and related impacts to working capital levels and/or debt balances, which may also have a direct impact on the Company's operating results and financial position. These and other factors may adversely affect the Company's liquidity and the Company's ability to generate income and cash flows to meet the Company's current and future obligations.

(a) Critical judgments in applying accounting policies

The following are the critical judgments, apart from those involving estimations (see below), that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in these financial statements.

Identification of cash-generating units

Petroleum and natural gas properties are aggregated into cash-generating units, for the purpose of assessing recoverability, based on their ability to generate largely independent cash inflows. By their nature, these estimates and assumptions are subject to measurement uncertainty and may impact the carrying value of the Company's assets in future periods.

Impairment indicators

The Company assesses at each reporting date whether there is an indication that petroleum and natural gas properties within the Cuisinier CGU may be impaired. Significant judgment is required to analyze the relevant external and internal indicators of impairment with the estimate of proved and probable and oil and gas reserves and the related cash flows being significant to the assessment. If any such indication exists, the asset or the CGU's recoverable amount is estimated.

The application of the Company's accounting policy for exploration and evaluation, petroleum and natural gas properties required management to make certain judgments as to future events and circumstances as to whether economic quantities of reserves have been found.

(b) Key sources of uncertainty

The following are the key assumptions concerning the sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing adjustments to the carrying amounts of assets and liabilities.

Decommissioning provisions

The Company estimates future remediation costs of production facilities, wells, and pipelines at various stages of development and construction of assets or facilities. In most instances, removal of assets occurs many years into the future. This requires judgment regarding abandonment date, future environmental and regulatory legislation, the extent of reclamation activities, the engineering

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methodology for estimating cost, future removal technologies in determining the removal cost and liability-specific discount rates to determine the present value of these cash flows.

Impairment of petroleum and natural gas properties

Petroleum and natural gas properties are assessed for recoverability at a CGU level. Recoverability is assessed by comparing the carrying value of the asset to its recoverable amount, which is based on the higher of FVLCS or VIU.

The significant estimates used in the determination of the recoverable amount include the following:

- proved and probable oil and gas reserves and the related cash flows
- discount rates – the discount rates used to calculate the net present value of proved and probable oil and gas reserves may be influenced by changes in the economic environment which could result in significant changes to the estimate.

The estimate of proved plus probable oil and gas reserves and the related cash flows requires the expertise of independent third-party reserve engineers and includes significant assumptions related to: Forecasted oil and gas commodity prices; Forecasted production; Forecasted operating costs; Forecasted royalty costs; Forecasted future development costs.

Accrued accounts receivable

The estimate of accrued accounts receivable materiality impacts the Company's reported revenue and working capital. This estimate is based on benchmark crude pricing and expected premiums or discounts expected at the sale of unpriced crude oil volumes.

Reserves

The estimate of proved and probable oil and gas reserves is integral to the calculation of the amount of depletion charged to the statement of operations and is also a key determinant in assessing whether the carrying value of any of the Company's petroleum and natural gas properties has been impaired. Changes in reported reserves can impact asset carrying values due to changes in expected future cash flows.

The Company's reserves are evaluated and reported on by independent third-party reserve engineers at least annually in accordance with Canadian Securities Administrators' National Instrument 51-101. Reserve estimation is based on a variety of factors including engineering data, geological and geophysical data, projected future rates of production, forecasted oil and gas commodity prices, and timing of future expenditures, all of which are subject to significant judgment and interpretation.

Share-based payments

The Company measures the cost of its share-based payments to directors, officers, employees, and certain consultants by reference to the fair value of the equity instruments at the date at which they are granted. The assumptions used in determining fair value include share price, expected lives of options, risk-free rates of return, share price volatility, and the estimated forfeiture rate. Changes to assumptions may have a material impact on the amounts presented.

Liquidity

As part of its capital management process, the Company prepares budgets and forecasts, which are used by management and the Board of Directors to direct and monitor the strategy and ongoing operations and liquidity of the Company. Budgets and forecasts are subject to significant judgment and estimates relating to activity levels, future cash flows and the timing thereof and other factors which may or may not be within the control of the Company. The current challenging economic climate may lead to adverse changes in cash flow or working capital levels, which may also have a direct impact on the Company's results and financial positions. These and other factors may adversely affect the Company's liquidity and the Company's ability to generate profits in the future.

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6. ACCOUNTS RECEIVABLE

Bengal's accounts receivable is exposed to the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's accounts receivable include cash calls paid to joint venture partners and receivables from petroleum and natural gas marketers. As at March 31, 2026, there are no accounts receivable greater than 30 days outstanding. All the existing joint venture partner receivables relate to accrued crude oil sales. The Company has made no allowances for doubtful accounts.

(\$000s)	March 31, 2026	March 31, 2025
Joint venture partners	2,210	1,676
Other receivable	4	6
Accounts receivable	2,214	1,682

7. EXPLORATION AND EVALUATION ASSETS ("E&E ASSETS")

(\$000s)	
Balance, March 31, 2024	\$ 11,993
Additions	14
Capitalized share-based compensation	4
E&E impairment	(2,530)
Exchange adjustments	227
Balance, March 31, 2025	\$ 9,708
Additions (recoveries)	(60)
E&E impairment	(2,190)
Exchange adjustments	622
Balance, March 31, 2026	\$ 8,080

A summary of E&E assets is shown in the table below:

(\$000s)	
ATP 732 / PCA 332 - Toookoonooka	\$ 8,053
Other	27
Balance, March 31, 2026	\$ 8,080

Exploration and evaluation assets consist of the Company's exploration projects in Australia, which are pending the determination of proved or probable reserves. Costs primarily consist of acquisition costs, geological and geophysical work, seismic and drilling, and completion costs until the drilling of wells is completed, and the results have been evaluated.

At the end of March 31, 2026, the Company identified indicators of impairment related to ATP 934, primarily due to the absence of budgeted or planned substantive expenditure for further exploration and evaluation activities in this specific project. The impairment charge of \$2.2 million reflects management's current assessment of the prospectivity and future capital plans for these assets.

At March 31, 2025, the Company identified indicators of impairment related to ATP 752, primarily due to the absence of budgeted or planned substantive expenditure for further exploration and evaluation activities in this specific project. The impairment charge of \$2.5 million reflected management's assessment of the prospectivity and future capital plans for these assets.

As a result of these indicators, an impairment test was conducted and the recoverable amount of the ATP 752 E&E assets was determined to be lower than their carrying amount, resulting in an impairment charge of \$2.5 million recognized in the consolidated statement of income (loss) for the year ended March 31, 2025. The impairment charge reflects management's current assessment of the prospectivity and future capital plans for these assets.

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The Company continues to actively market its Australian exploration assets, including ATP 752, for potential farm-out opportunities or disposition. Future changes in market conditions, successful farm-out activities, or additional financing could impact the recoverable amount of these assets, and management will reassess impairment indicators on a quarterly basis.

8. PROPERTY, PLANT AND EQUIPMENT (“PP&E”)

(\$000s)	Petroleum and natural gas properties	Other assets	Right-of-use assets	Total
<i>Cost:</i>				
Balance, March 31, 2024	\$ 53,186	347	143	\$ 53,676
Additions	56	-	-	56
Disposal of equipment	(265)	-	-	(265)
Research and development credit	(133)	-	-	(133)
Change in decommissioning and restoration liability	(583)	-	-	(583)
Exchange adjustments	1,369	-	-	1,369
Balance, March 31, 2025	\$ 53,630	\$ 347	\$ 143	\$ 54,120
Additions	69	-	-	69
Change in decommissioning and restoration liability	(330)	-	-	(330)
Exchange adjustments	4,799	-	-	4,799
Balance, March 31, 2026	\$ 58,168	\$ 347	\$ 143	\$ 58,658

(\$000s)	Petroleum and natural gas properties	Other assets	Right-of-use assets	Total
<i>Accumulated depletion, depreciation and impairment loss:</i>				
Balance, March 31, 2024	\$ 34,207	\$ 335	\$ 143	\$ 34,685
Depletion and depreciation	879	2	-	881
Exchange adjustments	997	-	-	997
Balance, March 31, 2025	\$ 36,083	\$ 337	\$ 143	\$ 36,563
Depletion and depreciation	707	2	-	709
Exchange adjustments	3,691	-	-	3,691
Balance, March 31, 2026	\$ 40,481	\$ 339	\$ 143	\$ 40,963

(\$000s)				
<i>Net carrying amount:</i>				
Balance, March 31, 2025	\$ 17,547	\$ 10	\$ -	\$ 17,557
Balance, March 31, 2026	\$ 17,687	\$ 8	\$ -	\$ 17,695

As at March 31, 2026, there were no external or internal indicators of impairment. During the year ended March 31, 2026, the Company did not capitalize any general and administrative expenses (year ended March 31, 2025 - \$0.1 million).

During the year ended March 31, 2025, the Company disposed of some of its surplus equipment with book cost of \$0.3 million for net proceeds of \$0.2 million. In March 2025, the Company received a tax credit of \$0.2 million on its research and development costs incurred in the fiscal year March 31, 2025. The credit is recorded as a credit to property, plant, and equipment in the period the Company received the assessment from the Australian Tax Office.

The calculation of depletion for the year ended March 31, 2026 included \$19.6 million for estimated future development costs associated with proved and probable reserves in Australia (March 31, 2025 - \$19.6 million).

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9. JOINT VENTURE PAYMENT PLAN

On October 2, 2024, the Company entered into a financing agreement relating to outstanding and disputed joint venture payables of Australian \$2.4 million ("Joint Venture payment plan"). The terms of the loan stipulated repayment over 24 months with monthly payments of Australian \$98,642, which included both principal and interest components. The interest rate on this loan was 5.0% over the Westpac Bank Bill Swap Rate ("BBSW") and was compounded daily.

The loan was initially recognized at its fair value of \$2.4 million, discounted using an effective interest rate based on the BBSW rate at the agreement date plus 5.0%. The loan was measured at amortized cost using the effective interest method.

As of March 31, 2025, the principal balance was nil as it had been settled by the financing described in Note 10 below. A total of Canadian \$0.4 million was paid prior to the settlement of the Canadian \$1.7 million remaining balance with the Note Payable described in Note 10.

10. NOTE PAYABLE

On March 3, 2025, the Company entered into an agreement to refinance its Joint Venture payment plan (Note 9) having an outstanding principal balance owing of Australian \$1.8 million as of February 28, 2025. The loan agreement ("Texada Loan" or "Note Payable") is with Texada Capital Management ("Texada"), a company controlled by a shareholder and director of Bengal.

The Note Payable was issued in the principal amount of \$1.7 million, which was used to repay the Joint Venture loan in full. The Note Payable has a maturity date of April 1, 2027, with interest only payable until the date of maturity. Interest is payable at 10% per annum, payable quarterly. The Note Payable is secured by a security interest over all of Bengal's present and later acquired assets other than shares in its wholly owned subsidiary, Bengal Pty. The Company may at any time repay the principal sum owing under the Note Payable, in whole or in part, without any notice or penalty, provided that any such prepayment shall be at a minimum amount of \$0.2 million. Texada has the right to accelerate repayment of the Note Payable if, at any time, the principal holder, ceases to own, in the aggregate, less than 51% of the issued and outstanding voting shares in the capital of the Company. There are no financial covenants associated with this Note Payable. During the year ended March 31, 2026, \$172 thousand of interest expense was accrued and \$129 thousand of interest was paid in cash to Texada.

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11. DECOMMISSIONING AND RESTORATION LIABILITY

Changes to decommissioning and restoration obligations were as follows:

(\$000s)	
Balance, March 31, 2024	\$ 3,477
Change in estimate	(583)
Accretion	152
Exchange adjustments	59
Balance, March 31, 2025	\$ 3,105
Change in estimate	(330)
Accretion	128
Exchange adjustments	214
Balance, March 31, 2026	\$ 3,117

The Company's decommissioning liabilities result from ownership interests in petroleum and natural gas properties. The Company estimates the total unadjusted and uninflated cash flows required to settle its decommissioning and restoration costs on March 31, 2026, is \$3.5 million (March 31, 2025 – \$3.3 million) which will be incurred between 2030 and 2049. At March 31, 2026, an inflation factor of 3.4% (March 31, 2025 – 3.0%) and a risk-free discount rate of 4.75% (March 31, 2025 – 4.0%) have been applied to the decommissioning and restoration liability.

12. SHARE CAPITAL

Authorized:

Unlimited number of common shares with no par value.

Unlimited number of preferred shares, of which none have been issued.

Issued: The following provides a continuity of share capital:

	Number of common shares	Amount
Balance, March 31, 2025	485,304,215	118,796
Balance, March 31, 2026	485,304,215	118,796

13. SHARE-BASED COMPENSATION

The Company has a share option plan for directors, officers and employees of the Company whereby share options representing up to 10% of the issued and outstanding common shares can be granted by the Board of Directors. Share options are granted for a term of up to five years and vest one-third after the first year and one-third on each of the next two anniversary dates. The exercise price of each option equals the market price of the Company's common shares on the date of the grant.

Stock options granted under the plan can be exercised on a cashless basis, whereby the recipient receives a lesser number of shares in lieu of paying the exercise price based on the deemed market price of the shares on the exercise date, and withholding taxes if the option holder so elects.

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A summary of stock option activity is presented below:

	Options	Weighted average exercise price
Balance, March 31, 2024	10,620,000	0.08
Granted	1,500,000	0.03
Forfeited	(2,550,000)	0.08
Balance, March 31, 2025	9,570,000	0.07
Expired	(8,070,000)	0.08
Forfeited	-	-
Balance, March 31, 2026	1,500,000	0.03
Exercisable, March 31, 2026	500,000	0.03

Exercise Price	Number Outstanding	Remaining Life (years)	Number Exercisable
\$0.03	1,500,000	3.5	500,000

There were no options granted during fiscal 2026 (1,500,000 were granted in fiscal 2025). The fair value of the options granted during the year ended March 31, 2025, of \$0.01 per share was estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions and resulting values.

Share price on grant date	\$0.02
Risk-free interest rate (%)	3.3
Expected life (years)	5
Expected volatility (%)	104
Forfeiture rate (%)	20

14. REVENUE

Revenue from the sales of crude oil is based on the consideration specified in the Liquids Aggregation Agreement (“LAA”) with the joint venture operator. The Company recognizes revenue when it transfers control of the product to the buyers, which, under the current Crude Oil Transportation Agreement, is at the time the Crude Oil marketers obtain legal control of the crude at a receipt facility. At the time of physical lifting at port, title is transferred and the transaction price is based on the average benchmark pricing and adjusted for quality and other factors specified in the Liquids Aggregation Agreement. The transaction price as prescribed in the LAA is a variable price based on various benchmark commodity pricing that may be adjusted for quality, location, delivery method, or other factors depending on the agreed-upon terms of the contract. The Company uses US dollar Brent pricing as the closest publicly available source against which to benchmark its crude pricing. The amount of revenue recorded can vary depending on the grade, quality, and quantity of crude oil transferred to the joint venture operator. Revenues are typically collected 60 days following delivery to Port Bonython.

Crude oil moving along the pipeline from the wellhead to the port which has been legally transferred to the buyer but not priced and waiting to be sold is referred to as Pipeline Oil. Lifting occurs when the oil is moved from the port to the ship. At March 31, 2026 there were 11,734 bbls (2025 – 13,872 bbls) of Pipeline Oil provisionally priced at US\$100.05 per barrel (2025 - US\$65.85 per barrel). Total accrued revenue subject to this provisional pricing was \$1.6 million (2025 - \$1.4 million)

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15. PER SHARE AMOUNTS

Loss per share is calculated based on net loss and the weighted-average number of common shares outstanding.

(\$000s except per share amounts)		
Year ended March 31,	2026	2025
Net loss for the period	(3,067)	(4,181)
Weighted average number of common shares		
– basic (000s)	485,304	485,304
– diluted (000s)	485,304	485,304
Basic and diluted (loss) per share	\$ (0.01)	\$ (0.01)

For the year ended March 31, 2026, 1,500,000 (year ended March 31, 2025 – 9,570,000) of the options were considered anti-dilutive.

16. KEY MANAGEMENT PERSONNEL COMPENSATION

The Company considers its directors and executives to be key management personnel. The key management personnel compensation is comprised of the following:

(\$000s)		
Year ended March 31,	2026	2025
Salaries and employee benefits	730	751
Share-based compensation	18	14
	748	765

17. FINANCE EXPENSE

(\$000s)		
Year ended March 31,	2026	2025
Accretion on decommissioning liability	128	152
Interest expense	187	117
	315	269

18. INCOME TAXES

The provision for income taxes differs from the amount obtained in applying the combined federal and provincial income tax rates to the loss for the year. The difference relates to the following items:

(\$000s)		
Year ended March 31	2026	2025
Loss before taxes	(3,067)	(4,181)
Statutory tax rate	23.0%	23.0%
Expected income tax (recovery)	(705)	(962)
Share-based compensation	4	3
Foreign exchange	(87)	(7)
Effect of tax rate in foreign jurisdiction	(52)	(234)
Effect of change in tax rate	(888)	-
Change in opening tax pools	1,234	-
Changes in unrecognized tax assets	494	1,200
Deferred income tax (recovery)	-	-

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The components of the Company's and its subsidiaries deferred income tax assets are as follows:

(\$000s)		
Year ended March 31	2026	2025
PNG properties	(3,036)	(3,366)
Foreign exchange	(381)	(694)
Decommissioning obligations	717	1,204
Non-capital losses	2,700	2,856
	-	-

These are the amounts not included in the deferred tax asset :

(\$000s)		
Year ended March 31	2026	2025
Non-capital losses	48,177	52,642
PNG properties	12,732	14,838
	60,909	67,480

At March 31, 2026, the Company had approximately \$32.4 million and Australian \$27.1 million of non-capital losses in Canada and Australia respectively (2025 - \$32.3 million and Australian \$25.1 million, respectively), available to reduce future taxable income. The Canadian non-capital losses expire at various dates from March 31, 2027 to 2044. The Australian non-capital losses have no term to expiry. Any future drilling activities continue to generate deferred tax assets related to Petroleum Resource Rent Tax in its Australian subsidiary, which has not been recognized.

The Company has temporary differences associated with its investments in its foreign subsidiaries, branches, and interests in joint ventures. At March 31, 2026, the Company has no deferred tax liabilities in respect of these temporary differences.

19. FINANCIAL RISK MANAGEMENT

The Company has exposure to credit, liquidity, and market risk from its use of financial instruments. This note presents information about the Company's exposure to these risks, the Company's objectives and policies and processes for measuring and managing risk.

The Board of Directors has overall responsibility for identifying the principal risks of the Company and ensuring the policies and procedures are in place to appropriately manage these risks. Bengal's management identifies, analyzes and monitors risks and considers the implication of the market condition in relation to the Company's activities.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from Bengal's cash calls paid to joint venture partners and receivables from petroleum and natural gas marketers. As at March 31, 2026, Bengal's receivables consisted of \$2.2 million (March 31, 2025 - \$1.7 million) from joint venture partners.

Bengal has a Liquids Aggregation Agreement with a purchaser and has not experienced any collection problems to date. Cash calls paid to Bengal's Australian joint venture partners are held in trust accounts by the partner until spent. Bengal attempts to mitigate the risk from joint venture receivables by approving significant spending by partners prior to expenditure and only paying the cash call shortly before the funds are to be spent.

The carrying amount of accounts receivable and cash and cash equivalents represents the maximum credit exposure. Bengal establishes an allowance for doubtful accounts as determined by management based on their assessment of collection. Bengal does not have an allowance for doubtful accounts as at March 31, 2026 (March 31, 2025 - \$nil) and did not provide for any doubtful accounts, nor was it required to write-off any receivables during the year ended March 31, 2026.

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Cash and cash equivalents, when held, consist of cash bank balances and guaranteed investment certificates redeemable at any time. Bengal manages the credit exposure related to guaranteed investments by selecting counterparties based on credit ratings and monitors all investments to ensure a stable return, avoiding complex investment vehicles with higher risk such as asset-backed commercial paper.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations, including work commitments, as they are due. Bengal prepares an annual budget and updates forecasts for operating, financing and investing activities on an ongoing basis to ensure it will have sufficient liquidity to meet its liabilities when due.

Bengal's financial liabilities consist of trade and other payables, and Note Payable maturing on April 1, 2027, totalling \$3.5 million at March 31, 2026 (March 31, 2025 - \$3.5 million). All of trade and other payables are due in less than one year.

At March 31, 2026, the Company had a working capital deficit of \$0.1 (March 31, 2025 - \$1.6 million), which the Company defines as total current assets less total current liabilities, excluding lease obligations and current portion of decommissioning obligations. The Company's working capital includes accrued accounts receivable, accounts payable, and notes payable. The Company does not have the legal right to offset these accounts and therefore there is a risk that the inability to collect on accrued receivables could impair Bengal's ability to pay joint venture liabilities resulting in a default under the Cuisinier Joint Operating Agreement. This default could result in the Company losing some or all of its working interest in the Cuisinier field. The Company is managing its liquidity risk through its principal and interest payments. There is a risk if the Company's cash flows are insufficient to meet these obligations.

Majority of the Company's oil sales are benchmarked on US Brent prices. The Company incurs most of its expenditures in Australian dollars whereas the Company generates most of its revenues in US dollars. The Company is acting with its joint venture partners to reduce discretionary operational spending and limiting its capital expenditures towards lower risk projects that meet its internal economic hurdles and are expected to offer near-term cash flow upside.

(c) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, commodity price risk and interest rate risk. The Company is exposed to market risks resulting from fluctuations in foreign exchange rates, commodity prices and interest rates in the normal course of operations. A variety of derivative instruments may be used to reduce exposure to these risks.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. Bengal receives US dollars for Australian oil sales and incurs expenditures in Australian and Canadian currencies. The Company may enter into derivative foreign currency contracts to manage foreign currency risk but has not done so to date.

The table below shows the Company's exposure in Canadian dollar equivalent to foreign currencies for its financial instruments at March 31, 2026:

(in \$000s CAD)	CAD\$	AUS\$	US\$	Total
Cash and cash equivalents	\$ 52	13	243	308
Accounts receivable	4	-	2,210	2,214
Trade and other payables	(452)	(1,330)	-	(1,782)
Note Payable	(1,700)	-	-	(1,700)
	\$ (2,096)	\$ (1,317)	\$ 2,453	\$ (960)

BENGAL ENERGY LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years ended March 31, 2026 and 2025

(Tabular amounts are stated in thousands of Canadian dollars except share and per share amounts)

Exchange rates as at	March 31, 2026	March 31, 2025
Number of CAD for 1 AUD	0.96	0.89
Number of CAD for 1 USD	1.39	1.44

Commodity Price Risk

Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of a change in commodity prices. Commodity prices for petroleum and natural gas are impacted by not only the relationship between the Canadian and United States dollar, as outlined above, but also world economic events that dictate the levels of supply and demand. Australian oil prices are based on the US Brent reference price, which currently trades at a premium to WTI. The Company had no commodity price derivatives at March 31, 2026 and March 31, 2025.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its cash and cash equivalents at March 31, 2026. Cash and cash equivalents is restricted to investments with a maturity of three months or less.

20. CAPITAL MANAGEMENT

The Company's policy is to maintain a sufficient capital base for the objectives of maintaining financial flexibility which will allow it to operate effectively and provide creditor and market confidence allowing for financing opportunities in support of future accretive capital projects. The Company manages its capital structure and adjusts by continually monitoring its business conditions, including changes in economic conditions, the risk profile of its project inventory, the efficiencies of past investments, the efficiencies of forecasted investments and the timing of such investments, the forecasted cash balances, the forecasted commodity prices and resulting cash flow.

The Company defines capital as the aggregate of shareholders' equity and the Note Payable. Management considers this definition appropriate as it represents the total long-term capital available to the Company to support its exploration, development, and production activities. As at March 31, 2026, total capital was \$24.3 million (March 31, 2025 – \$25.7 million), calculated as shareholders' equity of \$22.6 million (March 31, 2025 – \$24.0 million) plus the Note Payable of \$1.7 million (March 31, 2025 – \$1.7 million).

To maintain or adjust the capital structure, the Company may from time-to-time issue shares (if available on reasonable terms), issue debt instruments, sell assets, farm out properties, and adjust its capital spending to manage current and projected cash levels. As disclosed in Note 2, there can be no assurance that equity or debt financing will be available or sufficient to meet capital commitments, or for other corporate purposes, or if equity or debt financing is available, that it will be on terms acceptable to the Company. There have been no changes during fiscal 2026 with respect to how the Company manages its capital.

21. SUPPLEMENTAL CASH FLOW INFORMATION

Change in non-cash working capital items (\$000s)	Year ended March 31,	
	2026	2025
Accounts receivable	(532)	100
Prepays and deposits	87	(77)
Trade and other payables	(12)	(1,394)
Effect of change in foreign currency rates	78	(17)
	\$ (379)	\$ (1,388)

BENGAL ENERGY LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years ended March 31, 2026 and 2025

(Tabular amounts are stated in thousands of Canadian dollars except share and per share amounts)

Attributed to:		
Operating	(377)	178
Financing	(2)	(1,575)
Investing	-	9
	\$ (379)	\$ (1,388)

The following represents the cash interest paid in each year:

Cash interest paid and received (\$000s)	Year ended March 31,	
	2026	2025
Cash interest paid	187	117

22. COMMITMENTS

At March 31, 2026, the contractual obligations for which the Company is responsible are as follows:

Contractual obligations (000s)	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Office lease	21	21	-	-	-
Note Payable	1,700	1,700	-	-	-
Decommissioning and restoration	3,117	-	719	-	2,398
	4,838	1,721	719	-	2,398

The Queensland Government regulatory authority granted the Company Authority to Prospect 934 ("ATP 934") under a revised work program on March 1, 2015. The Company consolidated its ownership of ATP 934, resulting in a 100% and 40% operating interest in the northern and southern block of this permit respectively in 2018. The work program consists of 260 km² of 3D seismic and up to two wells. The Company has commenced a process to apply for an extension and revised work program at ATP 934 in exchange for relinquishment of non-prospective acreage. In February 2023, the Company extended its ATP 732 permit and received a Potential Commercial Area ("PCA") over 343 km². This included additional work commitments related to ATP 732 as outlined below. At March 31, 2026, the Company had the following capital work commitments:

Permit	Work Program	Obligation period ending	Estimated expenditure(net) (millions CAD\$)⁽¹⁾
ATP 934 – Onshore Australia	260 km ² 3D seismic & two wells	February 2027	8.5
ATP 732 – Onshore Australia	Geological studies	February 2029	0.1

(1) Translated at March 31, 2026 at an exchange rate of AUD\$1.00 = CAD\$0.9571.

23. RELATED PARTY TRANSACTIONS

On March 3, 2025, the Company entered into an agreement to refinance its Joint Venture payment plan by issuing a Note Payable. The \$1.7 million Note Payable is with Texada, a company controlled by a controlling shareholder and director of Bengal. At March 31, 2026, accounts payable balance included an accrued interest payable and accrued of \$55 thousand (March 31, 2025 - \$14 thousand). Interest is paid quarterly and during the year ended March 31, 2026 \$172 thousand of interest expense was accrued and \$129 thousand of interest was paid in cash.

BENGAL ENERGY LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years ended March 31, 2026 and 2025

(Tabular amounts are stated in thousands of Canadian dollars except share and per share amounts)

24. SEGMENTED INFORMATION

As at March 31, 2026, the Company has two reportable operating segments being the Australian oil and gas operations and corporate. Revenue reported below represents revenue generated from external customers. There were no inter-segment sales in any of the reported periods. The accounting policies of the reportable segments are the same as the Company's accounting policies. Segment profit represents the profit earned by each segment without allocation of directors' salaries, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

(\$000s)			
Year ended March 31, 2026	Australia	Corporate	Total
Revenue	4,612	-	4,612
Interest expense	17	170	187
Depletion and depreciation	707	2	709
Impairment loss	2,190	-	2,190
Net (loss)	(2,234)	(833)	(3,067)
Exploration and evaluation (recoveries)	(60)	-	(60)
Property, plant and equipment expenditures	69	-	69

(\$000s)			
Year ended March 31, 2025	Australia	Corporate	Total
Revenue	5,558	-	5,558
Interest expense	117	-	117
Depletion and depreciation	879	2	881
Impairment	2,530	-	2,530
Net (loss)	(3,343)	(838)	(4,181)
Exploration and evaluation expenditures	14	-	14
Property, plant and equipment expenditures	56	-	56
Disposition of equipment proceeds	(193)	-	(193)

(\$000s)			
As at March 31, 2026	Australia	Corporate	Total
Exploration and evaluation assets	8,080	-	8,080
Property, plant and equipment	17,688	7	17,695
Total assets	29,097	93	29,190
Total liabilities	4,458	2,141	6,599

(\$000s)			
As at March 31, 2025	Australia	Corporate	Total
Exploration and evaluation assets	9,708	-	9,708
Property, plant and equipment	17,547	10	17,557
Total assets	30,513	122	30,635
Total liabilities	6,164	435	6,599

25. SUBSEQUENT EVENTS

On April 6, 2026, the Company entered into a promissory note with Texada Capital Management Ltd. ("Texada"), a company controlled by W. B. (Bill) Wheeler, pursuant to which Texada has agreed to advance \$1.1 million (the "Texada Loan") to the Company at an interest rate of 12% per year. The entire amount plus all accrued interest has been repaid.

On May 6, 2026, the Company issued an aggregate of 43,571,428 common shares of the Company (the "Common Shares") at \$0.035 per Common Share for aggregate gross proceeds of \$1.5 million. With respect to subscriptions for 4,285,714 of the Common Shares issued, the Company paid a cash finder's fee equal to \$9,000 (6% of the gross proceeds from such subscriptions).

The Common Shares issued pursuant to the Offering will be subject to a statutory hold period expiring four months plus a day from the closing date.

On May 11, 2026 the Company issued an aggregate of 20,900,000 options to purchase common shares of the Company pursuant to its Stock Option Plan. The options were granted on May 8, 2026, to employees, officers and directors of the Company and have an exercise price of \$0.04/share, being the closing price of the Company's common shares on the TSX on that date. The options vest over a 3-year period, as to one-third of the total number granted on each of the first, second and third anniversaries of the date of grant and shall expire 5 years from issuance, subject to the terms of the Company's Stock Option Plan.

CORPORATE INFORMATION

AUDITORS

MNP LLP • Calgary, Canada

LEGAL COUNSEL

Burnet, Duckworth & Palmer LLP • Calgary, Canada

Piper Alderman • Sydney, Australia

BANKERS

Royal Bank of Canada • Calgary, Canada

Commonwealth Bank • Sydney, Australia

REGISTRAR AND TRANSFER AGENT

Computershare • Toronto, Canada

DIRECTORS

Chayan Chakrabarty

Dr. Brian J. Moss

Barry Herring

W. B. (Bill) Wheeler

R. Neal Grant

DISCLOSURE COMMITTEE

Chayan Chakrabarty

Jerrad Blanchard

AUDIT COMMITTEE

Barry Herring (Chairman)

W. B. (Bill) Wheeler

R. Neal Grant

RESERVES COMMITTEE

Dr. Brian J. Moss (Chairman)

Barry Herring

R. Neal Grant

COMPENSATION COMMITTEE

Dr. Brian J. Moss (Chairman)

Barry Herring

R. Neal Grant

GOVERNANCE AND NOMINATING COMMITTEE

W.B. (Bill) Wheeler (Chairman)

Dr. Brian J. Moss

Barry Herring

HEALTH, SAFETY AND ENVIRONMENT COMMITTEE

R. Neal Grant (Chairman)

W. B. (Bill) Wheeler

Dr. Brian J. Moss

OFFICERS

Chayan Chakrabarty, President & Chief Executive Officer

Richard N. Edgar, Executive Vice President

Jerrad Blanchard, Chief Financial Officer

Bruce Allford, Secretary

STOCK EXCHANGE LISTING – TSX: BNG