International exploration & production

Management's Discussion & Analysis

Three and six months ended September 30, 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 and six months ended September 30, 2026. This MD&A dated November 10, 2026, should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements and related notes for the three and six months ended September 30, 2026. The interim condensed consolidated financial statements of the Company have been prepared in accordance with International Accounting Standard No. 34, Interim Financial Reporting ("IAS 34"). These accompanying interim condensed consolidated financial statements have not been reviewed by the Company's independent auditors.

The functional currency of the Company's operating subsidiary, Bengal Energy (Australia) Pty Ltd. ("Bengal Australia"), 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 September 30, 2026, may be referred to as "second quarter of fiscal 2027", "Q2 fiscal 2027", "current quarter", and "the quarter". The comparative three months ended September 30, 2025, may be referred to as "second quarter of fiscal 2026", "Q2 fiscal 2026" and "prior year's quarter".

SECOND QUARTER FISCAL 2027 SUMMARY

Financial summary:

- Sales revenue – Crude oil sales revenue was $1.8 million in the second quarter of fiscal 2027, compared with $0.9 million in Q2 fiscal 2026. Production was 96 barrels of oil per day ("bopd") in Q2 fiscal 2027, compared with 114 bopd in Q2 fiscal 2026. Realized weighted average price was US$106.86/bbl and US$70.49/bbl, an increase of 52%. This increase was driven by an increase in the benchmark Brent oil price of 40%, US$96.33/bbl in Q2 fiscal 2027 compared to US$68.97/bbl in Q2 fiscal 2026 as well as increased premiums realized relative to quoted benchmark prices.
- Funds from operations – Funds from operations was $0.2 million during Q2 fiscal 2027 compared to funds used in operations of $0.4 million in Q2 fiscal 2026.
- Net income (loss) – Bengal reported a net income of $0.1 million in Q2 fiscal 2027 compared to a net loss of $0.7 million in Q2 fiscal 2026, stemming from the increase in revenues of $0.9 million, to $1.8 million in Q2 fiscal 2027 compared to 0.9 million in Q2 fiscal 2026.

Operational summary:

- Production volumes – The Company's share of total Cuisinier production in the current quarter was 8,843 bbls (96 bopd), compared to production of 10,530 bbls (114 bopd) in the second quarter of fiscal 2026. The decrease in production in the comparative quarter was due to natural declines, and the impact of downtime at the Cuisinier 25 well which was down for the majority of the quarter awaiting field maintenance which was delayed due to weather conditions. This well was put back on line in late September and has historically produced over 30 bopd gross. The Company has asked the operator to justify the allocation of production and per well data at Cuisinier in order to evaluate Joint Venture allocations and assess field performance. No response has been provided to date.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This MD&A contains non-IFRS measures. Operating netback, operating netback per barrel, funds from (used in) operations, funds from operations per share and working capital are non-IFRS measures or non-IFRS ratios under National Instrument 52-112. See "Non-IFRS Measurements".

Business Overview

Bengal's producing and non-producing assets are situated in Australia's Cooper Basin, a region featuring large accumulations of very 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 near Bengal's prospects at ATP 934.

Under the State of Queensland Regulatory process, ATPs are granted by the State 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 30.357% 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 including PPL 188 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 38.5% interest. Of these permits, work can continue to develop gas resources under an existing petroleum lease. No additional PLs have been acquired by Bengal since the new Queensland Legislation came into effect.

In the Wompi portion of the Bengal ATP 752 permit, 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 anticipates relinquishing this interest and is working with the regulator to secure favourable relinquishment terms. Neither of these assets have any carrying value in the Company's financial statements. 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 surface equipment failure and lack of available replacement parts. The program was intermittently operational during fiscal 2025; however, its impact on 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.

The Company is currently evaluating opportunities to test the Ramses 2 well subject to financing and suitable weather conditions to allow access. Ramses 2, a shut-in well on the 100% owned and operated PL 188, recovered an extrapolated 588 barrels per day of 37-degree API oil from the Jurassic Poolowanna Formation on a 105-minute drill stem test when drilled in 2007.

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

Bengal conducted an acid treatment in 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.

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 to the regulator 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 in fiscal 2026.

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 illiquid equity markets for junior oil and gas companies, such discussions have not led to successful conclusions to date.

OPERATING SUMMARY

($000s except per share, %, volumes, and operating netback[(1)])	Three months ended September 30, 2026	Three months ended September 30, 2025	Six months ended September 30, 2026	Six months ended September 30, 2025
Oil sales	**1,831**	946	**3,185**	1,989
Operating netback[(1)]	**1,110**	159	**1,727**	749
Cashflow (used in) from operating	**(279)**	(66)	**(766)**	85
Funds from (used in) operations[(1)] ($)	**185**	(402)	**235**	(379)
- Per share ($) (basic and diluted)	**0.00**	(0.00)	**0.00**	(0.00)
Net income (loss)	**63**	(678)	**(179)**	(936)
- Per share ($) (basic and diluted)	**0.00**	(0.00)	**(0.00)**	(0.00)
Capital expenditures	**10**	-	**14**	-
Oil production (bopd)	**96**	114	**102**	117
Operating netback[(1)] ($/bbl)	**125.52**	**15.10**	**92.34**	**34.94**

[(1)] Non-IFRS and Other Financial Measures. See "Non-IFRS Measurements".

Oil sales were $1.8 million in the second quarter of fiscal 2027, an increase of 94% compared with $0.9 million in the second quarter of fiscal 2026. Oil sales were $3.2 million for the six months ended September 30, 2026, an increase of 60% compared to $2.0 million for the six months ended September 30, 2025.

Funds from operations were $0.2 million in Q2 fiscal 2027, an increase of $0.6 million compared to $0.4 million in Q2 fiscal 2026. Funds from operations were $0.2 million for the six months ended September 30, 2026, an increase of $0.6 million compared to funds used in operations of $0.4 million for the six months then ended. The increase of $0.6 million in funds from operations is comprised of higher revenues of $0.9 million, offset by higher royalties, operating, and other expense of $0.3 million. The increase in revenues was comprised of a 40% increase in Brent reference price between the second quarters of fiscal 2027 and fiscal 2026 as well as the impact of revalued accrued revenues at higher benchmark prices.

Net income was $63 thousand compared to net loss of $0.7 million in Q2 fiscal 2026. Net loss was $0.2 million and $0.9 million of the six months ended September 30, 2026 and 2025, respectively. The factors are similar to those described in the above.

RESULTS OF OPERATIONS

Production

Production	Three months ended September 30, 2026	Three months ended September 30, 2025	Six months ended September 30, 2026	Six months ended September 30, 2025
Oil production (bbl)	**8,843**	10,530	**18,703**	21,440
Oil production (bbl/d)	**96**	114	**102**	117

The Company's share of total Cuisinier production in the current quarter of fiscal 2027 was 8,843 bbls (96 bopd), compared to production of 10,530 bbls (114 bopd) in the second quarter of fiscal 2026. For the six months ended September 30, 2026, production was 18,703 bbls (102 bopd), compared with 21,440 bbls (117 bopd) for the six months ended September 30, 2025. The decrease in production in the comparative quarter was due to natural declines and the impact of downtime at the Cuisinier 25 well which was down for the majority of the quarter awaiting field maintenance which was delayed due to weather conditions.

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 September 30, 2026	Three months ended September 30, 2025	Six months ended September 30, 2026	Six months ended September 30, 2025
Oil lifting					
Volume (000s bbls)		**16.0**	12.8	**22.0**	25.2
Weighted average price (USD/bbl)		**106.86**	70.49	**111.62**	67.25
Sales CAD$(000)	A	**2,410**	1,273	**3,465**	2,406
Pipeline oil					
Volume – change (000s bbls)		**(7.2)**	(1.5)	**(3.3)**	(3.8)
Price – change (USD/bbl)		**26.33**	2.93	**15.07**	(4.05)
Net sales – change CAD$	B	**(579)**	(327)	**(280)**	(417)
Total oil sales CAD$	**A+B**	**1,831**	946	**3,185**	1,989

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$106.86/bbl and US$70.49/bbl for the current and previous year's quarters respectively, an increase of 52%. Brent reference price between the two fiscal quarters was an increase of 40%. Over 80% of the sales was sold in August and September with the higher realized pricing as well as a higher than typical premium to benchmark.

Oil lifting was $2.4 million, being 15,996 barrels invoiced at US$106.86/bbl. Pipeline oil fell by 7,200 barrels in the quarter. Those barrels had been accrued at June 30 and are reversed against this quarter's revenue so they are not counted twice, with a true-up for the difference between the June 30 accrual price and the invoice price. Separately, the 8,422 barrels still in the pipeline at September 30 were repriced from the June 30 provisional price to US$115.12, and that revaluation is booked as revenue this quarter even though the cash has not been collected. Together these two movements reduced crude oil sales by $0.6 million, to $1.8 million.

Oil sales were $1.8 million in the second quarter of fiscal 2027, compared to $0.9 million in the second quarter of fiscal 2026. Oil sales were $3.2 million for the six months ended September 30, 2026, compared to $2.0 million for the six months ended September 30, 2025. The realized weighted average price of oil lifting was US$111.62/bbl, an increase of 66% compared to US$67.25/bbl for the six months ended September 30, 2025.

Benchmark prices

The following table outlines average benchmark prices:

	Three months ended September 30, 2026	Three months ended September 30, 2025	**Six months ended September 30, 2026**	Six months ended September 30, 2025
Brent oil ($/bbl)	**126.12**	94.97	**134.42**	94.53
Brent oil (US$/bbl)	**96.33**	68.97	**99.81**	68.49
Number of CAD$ for 1 USD$	**1.31**	1.38	**1.35**	1.38
Number of CAD$ for 1 AUD$	**0.99**	0.90	**0.98**	0.89

Operating netback

The following table outlines operating netback:

	Three months ended September 30, 2026	**Three months ended September 30, 2025**	**Six months ended September 30, 2026**	**Six months ended September 30, 2025**
Oil sales	**1,831**	946	**3,185**	1,989
Royalties	**(138)**	(59)	**(213)**	(160)
Operating expense	**(583)**	(728)	**(1,245)**	(1,080)
Operating netback	**1,110**	159	**1,727**	749
Price revaluation	(316)	105	(216)	86
Netback excl. revaluation	**794**	**264**	**1,511**	**835**
Oil sales ($/bbl)	**207.04**	89.84	**170.29**	92.77
Royalties ($/bbl)	**(15.60)**	(5.60)	**(11.39)**	(7.46)
Operating expense ($/bbl)	**(65.92)**	(69.14)	**(66.56)**	(50.37)
Operating netback ($/bbl)	**125.52**	15.10	**92.34**	34.94
Price revaluation ($/bbl)	(35.74)	9.97	(11.55)	4.01
Netback excl. revaluation ($/bbl)	**89.78**	**25.07**	**80.79**	**38.95**

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

The price revaluation of the pipeline accrual is the effect on revenue of the change in the period-end benchmark price used to value barrels remaining in the pipeline. It is calculated as (closing accrual price − opening accrual price) × closing pipeline barrels. Because the pipeline inventory declined in each period, every closing barrel had previously been accrued at the opening price. In the current quarter the price rose from A$127.66 to A $165.61 per barrel, adding $316 thousand to revenue on the 8,423 barrels still in the pipeline at September 30. Oil sales excluding the price revaluation would have been $1.5 million ($171.32 per barrel) in the current quarter and $1.1 million ($99.81 per barrel) in the prior year quarter, and $3.0 million ($158.75 per barrel) and $2.1 million ($96.78 per barrel) for the six months ended September 30, 2026 and 2025, respectively. Operating netback excluding this revaluation is presented to show the result on a basis that removes the effect of the change in the price used to value the accrual. See "Non-IFRS Measurements".

Operating netback was $125.52/bbl for Q2 fiscal 2027, substantially higher than Q2 fiscal 2026 of $15.10/bbl. The increase was driven primarily by a higher realized oil price of $207.04/bbl compared to $89.84/bbl and partially offset by higher royalties. Production is lower by 16% in Q2 fiscal 2027 of 96 bbl/d compared to Q2 fiscal 2026 of 114 bbl/d.

Operating netback was $92.34/bbl for the six months ended September 30, 2026, 164% higher than the six months ended September 30, 2025 of $34.94/bbl. The increase in operating netback was driven primarily by average realized oil price of $170.29/bbl compared to $92.77/bbl, partially offset by higher operating expense per barrel of $66.56 compared to $50.37 in the comparative period which was due to the 13% lower production volumes.

Royalties

	Three months ended September 30, 2026	Three months ended September 30, 2025	**Six months ended September 30, 2026**	Six months ended September 30, 2025
Royalty expense ($000s)	**138**	59	**213**	160
$/bbl	**15.60**	5.60	**11.39**	7.46
% of revenue	**7.5%**	6.2%	**6.7%**	8.0%

In Queensland Australia, oil royalties are based on a government-established rate and are calculated based on petroleum revenue net of eligible expenditures. Royalty rates are dependent on oil prices and the dollar value of expenditures. The Company also pays a Native Title royalty of 1% of revenue.

Royalties of $0.1 million for Q2 fiscal 2027, slightly higher due to the timing of sales. Royalties as a % of revenue were 7.5% compared to the three months ended September 30, 2026 of 6.2%. Royalties of $0.2 million for six months ended September 30, 2026 were consistent with the six months ended September 30, 2025. The Company expects future royalties to be in the range of 7% to 9% of revenue.

Operating expenses

	Three months ended September 30, 2026	Three months ended September 30, 2025	**Six months ended September 30, 2026**	Six months ended September 30, 2025
Production ($000s)	**145**	348	**351**	320
Transportation ($000s)	**438**	380	**894**	760
	583	728	**1,245**	1,080
Production ($/bbl)	**16.39**	33.05	**18.76**	14.92
Transportation ($/bbl)	**49.53**	36.09	**47.80**	35.45
	107.88	69.14	**86.40**	50.37

Operating expenses were $0.6 million in Q2 fiscal 2027, compared with $0.7 million in Q2 fiscal 2026. Transportation includes the cost of moving oil from the wellhead to Port Bonython. Increased transportation costs reflect the fact that the majority of transportation costs are fixed, and production rates have declined during the quarter. During Q2 fiscal 2026 there were several unplanned workovers that materiality increased operating expense. Absent of these workovers current quarter production costs have returned to expected levels.

Operating expenses were $1.3 million for the six months ended September 30 2026, 15% higher than the six months ended September 30, 2025, which is primary driven by lower production and that a significant portion of transportation and production costs are fixed.

During the quarter the Company was charged $0.4 million under the annual reconciliation provisions of the Cuisinier Crude Oil Processing Service Agreement, relating to calendar 2024 and 2025. These were recorded as Prior period adjustments on the Company's Statement of Income and has been excluded from operating netback as it is not related to the production in the current period.

General and administrative expenses

	Three months ended September 30, 2026	Three months ended September 30, 2025	**Six months ended September 30, 2026**	Six months ended September 30, 2025
Net G&A ($000s)	**483**	497	**980**	984
Capitalized G&A ($000s)	**—**	—	**—**	—
Total G&A ($000s)	**483**	497	**980**	984

General and administrative expenses were $0.5 million in Q2 fiscal 2027, consistent with the prior year quarter. General and administration expenses were $1.0 million for the six months ended September 30, 2026, consistent with the same period in fiscal 2026. No general and administrative expense was capitalized in the comparative period, consistent with minimal capital activity.

Share-based compensation

	Three months ended September 30, 2026	Three months ended September 30, 2025	**Six months ended September 30, 2026**	Six months ended September 30, 2025
Expensed ($000s)	**7**	4	**14**	9

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. The Company granted 20,900,000 options at $0.04 per common share on May 8, 2026. Options expire five years from the grant date. The increase in share-based compensation for the six months ended September 30, 2026 reflects the recognition of this grant over time.

Depletion and Depreciation (DD&A)

DD&A	**Three months ended September 30, 2026**	Three months ended September 30, 2025	**Six months ended September 30, 2026**	Six months ended September 30, 2025
Petroleum and natural gas properties	**75**	245	**326**	496

DD&A	**Three months ended September 30, 2026**	Three months ended September 30, 2025	**Six months ended September 30, 2026**	Six months ended September 30, 2025
Other assets	**—**	—	**1**	1
DD&A	**75**	245	**327**	497
DD&A ($/bbl)	**8.48**	23.27	**17.48**	23.18

Depletion expense in Q2 fiscal 2027 was lower by 70% compared to Q2 fiscal 2026 due to lower production of 16% as well as a true-up adjustment of $0.1 million. Depletion expense in the six months ended September 30, 2026 was $0.3 million, 34% lower than the prior fiscal period due to lower production of 13%. There were no indicators of impairment identified in the current fiscal quarter September 30, 2026.

Finance Expense

Finance Expense	**Three months ended September 30, 2026**	Three months ended September 30, 2025	**Six months ended September 30, 2026**	Six months ended September 30, 2025
Accretion expense on decommissioning liability	**39**	31	**78**	62
Interest expense	**46**	45	**104**	97
	85	76	**182**	159

Accretion expense on decommissioning and restoration liabilities was $38 thousand in Q2 fiscal 2027, consistent with Q2 fiscal 2026. Interest expense for the three and six months ended September 30, 2026 stemmed from the Note Payable of $1.7 million entered with a related party in March 2025 with an interest rate of 10%.

CAPITAL EXPENDITURES

Capital expenditures	**Three months ended September 30, 2026**	Three months ended September 30, 2025	**Six months ended September 30, 2026**	Six months ended September 30, 2025
Exploration and evaluation	—	—	—	(60)
Development and production	**10**	56	**14**	56
	10	56	**14**	(4)

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 September 30, 2026**	Three months ended September 30, 2025	**Six months ended September 30, 2026**	Six months ended September 30, 2025
High ($/share)	**0.03**	0.02	**0.10**	0.02
Low ($/share)	**0.02**	0.01	**0.02**	0.01
Close ($/share)	**0.03**	0.01	**0.03**	0.01
Average Daily Volume	**64,524**	30,111	**84,087**	31,715
Weighted average shares outstanding (000s) – basic	**528,876**	485,304	**523,399**	485,304
Weighted average shares outstanding (000s) – diluted	**528,876**	485,304	**523,399**	485,304

On May 6, 2026, the Company issued an aggregate of 43,571,428 common shares at $0.035 per share for aggregate gross proceeds of $1,525,000. With respect to subscriptions for 4,285,714 of the shares, the Company paid a cash finder's fee of $9,000. At November 10, 2026, there were 528,875,643 common shares issued and outstanding, together with 22,400,000 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 $3.8 million at September 30, 2026 (March 31, 2026 - $3.5 million). At September 30, 2026, the Company had working capital of $1.7 million (March 31, 2026 - negative $0.1 million), which the Company defines as total current assets less total current liabilities, excluding current portion of decommissioning obligations.

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 17) 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 interim condensed 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.

The 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.

OFF BALANCE SHEET TRANSACTIONS

The Company does not have any off-balance sheet transactions as at September 30, 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 km^2. This included additional work commitments related to both ATP 732 and PCA 332 as outlined below. At September 30, 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 2 wells	February 2027	6.0
ATP 732 – Onshore Australia	Geological studies	February 2029	0.1

(1) Translated at September 30, 2026 at an exchange rate of AUD$1.00 = CAD$0.99.

Contractual obligations (000s)	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Office lease	**10**	10	—	—	—
Note Payable	**1,700**	1,700	—	—	—
Decommissioning liabilities	**3,297**	—	725	—	2,572
	5,007	1,710	725	—	2,572

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 the six months ended September 30, 2026, interest of $99 thousand was accrued and due to Texada. At September 30, 2026, the accounts payable balance included accrued interest payable of $12 thousand (March 31, 2026 – $55 thousand). Cash interest of $46 thousand and $99 thousand was paid in the three and six months ended September 30, 2026, respectively.

On April 6, 2026, the Company entered into a Promissory Note with Texada Capital Management to advance $1.1 million at an interest rate of 12% per annum. This note was fully repaid on May 6, 2026 including one month of accrued interest.

SELECTED QUARTERLY INFORMATION

Fiscal quarter ($000s except per share, volume and operating netback [(1)])	**Sep 30 2026 Q2 2027**	Jun 30 2026 Q1 2027	Mar 31 2026 Q4 2026	Dec 31 2025 Q3 2026	Sep 30 2025 Q2 2026	Jun 30 2025 Q1 2026	Mar 31 2025 Q4 2025	Dec 31 2024 Q3 2025
Oil sales ($)	**1,831**	1,354	1,611	1,012	946	1,043	973	1,431
Cashflow (used in) from operating activities	**(279)**	(487)	(89)	(415)	(66)	281	(270)	298
Funds from (used in) operations	**185**	50	468	(129)	(402)	23	(502)	23
-Per share ($) basic and diluted	—	—	—	—	—	—	—	—
Net income (loss)	**63**	(242)	(1,716)	(415)	(678)	(258)	(2,993)	(370)

Fiscal quarter ($000s except per share, volume and operating netback [(1)])	**Sep 30 2026 Q2 2027**	Jun 30 2026 Q1 2027	Mar 31 2026 Q4 2026	Dec 31 2025 Q3 2026	Sep 30 2025 Q2 2026	Jun 30 2025 Q1 2026	Mar 31 2025 Q4 2025	Dec 31 2024 Q3 2025
-Per share ($) basic and diluted	—	—	—	—	—	—	—	—
Capital expenditures	**10**	4	11	2	56	—	—	12
Working capital	**1,660**	1,529	(67)	1,114	1,251	1,659	1,586	957
Total assets	**31,741**	31,251	29,190	30,059	30,756	30,244	30,635	33,558
Shares outstanding	**528,876**	528,876	485,304	485,304	485,304	485,304	485,304	485,304
Oil production (bbl/d)	**96**	108	112	115	114	120	126	124
Operating netback[(1)]	**125.52**	62.57	99.26	28.17	15.10	54.08	9.62	61.83

Production has declined over the past several quarters at Cuisinier, from 126 bopd in Q4 fiscal 2025 to 96 bopd in the current quarter, reflecting natural field decline and recurring downtime. In Q2 fiscal 2027 the decrease was principally the Cuisinier 25 well, which was offline for most of the quarter awaiting field maintenance delayed by weather and was returned to production in late September. That well has historically produced over 30 bopd gross. The lower volumes have been more than offset by realized pricing. Oil sales rose to $1.8 million in the quarter from $1.4 million in Q1 fiscal 2027 and $0.9 million in Q2 fiscal 2026. The realized price was $207.04 per barrel, compared with $89.84 in the prior year quarter. The realized price is book revenue divided by barrels produced. It exceeds the average invoiced price of $150.66 per barrel because oil in the pipeline is accrued at the quarter-end benchmark price, and that price increased 40% from the end of Q1 to the end of Q2. The impact of this valuation increase applied over quarterly production resulted in significantly higher revenue pricing for the current quarter.

Operating netback was $125.52 per barrel in Q2 fiscal 2027, compared with $62.57 in the preceding quarter and $15.10 in Q2 fiscal 2026. The improvement reflects the higher realized prices. Funds from operations were $0.2 million in the quarter, compared with funds used in operations of $0.4 million in Q2 fiscal 2026, and the Company reported net income of $0.1 million against a net loss of $0.7 million in the prior year quarter. Working capital improved to $1.7 million at September 30, 2026 from $1.5 million at June 30, 2026. The principal remaining historical items are unchanged: the Q4 fiscal 2025 net loss included a $2.5 million impairment on non-prospective Barta acreage, the Q4 fiscal 2026 netback was lifted by the March 2026 price increase and a higher pipeline oil accrual, and the Q2 fiscal 2026 netback was compressed by the absence of a $0.2 million joint venture credit that had benefited the first quarter of that year.

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 September 30, 2026, apart from 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 currently 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, liabilities, 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 in Note 4 of the interim financial statements and in the March 31, 2026 annual financial statements. 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 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.

NON-IFRS MEASUREMENTS

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 operations per share and working capital are non-IFRS measures or non-IFRS ratios under National Instrument 52-112. These measures do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. They should not be considered more meaningful than IFRS measures.

Operating netback

Operating netback is calculated by deducting royalties and operating expenses from oil sales. The reconciliation is as follows:

The price revaluation of the pipeline accrual is a non-IFRS reconciling item. It represents the effect on revenue of the change in the quarter-end benchmark price applied to barrels remaining in the pipeline at period end, calculated as (closing accrual price − opening accrual price) × closing pipeline barrels. Operating netback excluding the price revaluation is operating netback less this item. These measures are presented to isolate the effect of the change in the price used to value the accrual from the underlying operating result. They do not have a standardized meaning under IFRS and may not be comparable to similar measures presented by other companies.

($000s)	**Three months ended September 30, 2026**	Three months ended September 30, 2025	**Six months ended September 30, 2026**	Six months ended September 30, 2025
Oil sales	**1,831**	946	**3,185**	1,989
Royalties	**(138)**	(59)	**(213)**	(160)
Operating expense	**(583)**	(728)	**(1,245)**	(1,080)
Operating netback	**1,110**	159	**1,727**	749
Price revaluation	(316)	105	(216)	86
Netback excl. revaluation	**794**	**264**	**1,511**	**835**

Funds from (used in) operations

Funds from (used in) operations is cash from operating activities before changes in non-cash working capital. Management uses this measure to evaluate operating performance. The reconciliation is as follows:

($000s)	**Three months ended September 30, 2026**	Three months ended September 30, 2025	**Six months ended September 30, 2026**	Six months ended September 30, 2025
Cash flow (used in) operating activities	**(279)**	(66)	**(766)**	85
Change in non-cash working capital	**464**	(336)	**1,001**	(464)
Funds from (used in) operations	**185**	(402)	**235**	(379)

Operating netback per barrel

($/bbl)	**Three months ended September 30, 2026**	Three months ended September 30, 2025	**Six months ended September 30, 2026**	Six months ended September 30, 2025
Oil sales	**207.04**	89.84	**170.29**	92.77
Royalties	**(15.60)**	(5.60)	**(11.39)**	(7.46)
Operating expense	**(65.92)**	(69.14)	**(66.56)**	(50.37)
Operating netback	**125.52**	15.10	**92.34**	34.94
Price revaluation ($/bbl)	(35.74)	9.97	(11.55)	4.01
Netback excl. revaluation ($/bbl)	**89.78**	**25.07**	**80.79**	**38.95**

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.

ABBREVIATIONS

The following abbreviations used in this MD&A have the meanings set forth below: bbl – barrel; bopd – barrels of oil per day; $/bbl – dollars per barrel; CAD or $ – Canadian dollar; AUD – Australian dollar; USD or US$ – United States dollar; WI – working interest; ATP – authority to prospect; PCA – potential commercial area; PL – petroleum lease; PPL – petroleum pipeline licence; LAA – liquids aggregation agreement; COPSA – crude oil purchase and sales agreement.

RISK FACTORS

There are several risk factors facing companies that participate in the oil and gas industry. A complete discussion of the risk factors facing the Company is included in Bengal's Annual Information Form dated June 30, 2026, filed on SEDAR at www.sedarplus.ca. 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.

Exploration, Development and Production Risks

Oil and natural gas exploration involves a high degree of risk. 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.

Risks Associated with Foreign Operations

International operations are subject to political, economic, and other uncertainties, including currency fluctuations, exchange controls, and taxation.

Prices, Markets and Marketing of Crude Oil and Natural Gas

The Company's financial results are significantly affected by the price of crude oil. Australian oil prices are based on the US Brent reference price.

Substantial Capital Requirements and Liquidity

Bengal's cash flow from its Reserves may not be sufficient to always fund its capital expenditure program.

Health, Safety and Environment

All phases of the oil and natural gas business present environmental risks and hazards.

Changing Regulation

Emission, carbon and other regulations impacting climate and climate-related matters are dynamic and constantly evolving. The Canadian Securities Administrators have issued a proposed National Instrument 51-107 Disclosure of Climate-related Matters.

Insurance

Bengal's involvement in the exploration for and development of oil and natural gas properties may result in liability for pollution, blow-outs, property damage, or personal injury.

Competition

Bengal actively competes for reserve acquisitions, exploration leases, licences and concessions and skilled industry personnel.

Significant counterparty risk

The Company does not have the legal right to offset joint-venture receivables and payables. A collection failure could cause default under the Cuisinier joint operating agreement and loss of working interest.

ADVISORIES

Forward-looking statements

This MD&A contains forward-looking statements. These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are based on the estimates and opinions of the Company's management on the date the statements are made. The Company assumes no obligation to update forward-looking statements should circumstances or management's estimates or opinions change, other than as required by law. Particulars that are forward-looking include expected production, reserves, waterflood, a free-carried well on ATP 934, royalty rates of 7 to 9 percent, financing, and joint-venture audit recoveries.

Oil and gas advisories

Disclosure of oil and gas information is made in accordance with Canadian practices under National Instrument 51-101. Reserves and resources have been evaluated in accordance with the COGE Handbook.

Boe may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf to 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Additional information

Additional information relating to Bengal is available on SEDAR at www.sedarplus.ca, including the audited consolidated financial statements for the year ended March 31, 2026 and the annual information form dated June 30, 2026.

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

Interim Condensed Consolidated Financial Statements

(unaudited)

Three and Six months ended September 30, 2026 and September 30, 2025

NOTICE

These interim condensed consolidated financial statements have not been reviewed by the Entity's auditors.

(signed) "Chayan Chakrabarty"
Chayan Chakrabarty
President & Chief Executive Officer

(signed) "Jerrad Blanchard"
Jerrad Blanchard
Chief Financial Officer

Bengal Energy Ltd.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Thousands of Canadian dollars)

(unaudited)

As at	Note		September 30, 2026	March 31, 2026
Assets				
Current assets				
Cash and cash equivalents		$	974	308
Accounts receivable			2,681	2,214
Prepaids and deposits			1,779	893
			5,434	3,415
Exploration and evaluation assets	5		8,347	8,080
Property, plant, and equipment	6		17,960	17,695
			31,741	**29,190**
Liabilities and Shareholders' Equity				
Current liabilities				
Trade and other payables		$	2,074	1,782
Current portion of note payable	7, 18		1,700	1,700
			3,774	3,482
Decommissioning and restoration liability	8		3,297	3,117
			7,071	6,599
Shareholders' Equity				
Share capital	9		120,238	118,796
Contributed surplus			8,187	8,173
Accumulated other comprehensive loss			(489)	(1,291)
Deficit			(103,266)	(103,087)
			24,670	22,591
			31,741	**29,190**

Going concern (Note 2). Commitments (Note 17).

See accompanying notes to the interim condensed consolidated financial statements.

Signed on behalf of the Board:

(signed)
Dr. Brian J. Moss
Director

(signed)
Barry Herring
Director

Bengal Energy Ltd.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

(Thousands of Canadian dollars, except per share amounts)

(unaudited)

	Note	**Three months ended September 30, 2026**	Three months ended September 30, 2025	**Six months ended September 30, 2026**	Six months ended September 30, 2025
Revenue					
Oil sales	11	**1,831**	946	**3,185**	1,989
Royalties		**(138)**	(59)	**(213)**	(160)
		1,693	887	**2,972**	1,829
Expenses					
General and administrative		**483**	497	**980**	984
Operating		**583**	728	**1,245**	1,080
Prior period processing adjustments	20	**371**	-	**371**	-
Depletion and depreciation	6	**78**	245	**327**	497
Share-based compensation	10	**7**	4	**14**	9
Foreign exchange loss		**23**	15	**32**	36
		148	(602)	**3**	(777)
Finance expense	13	**85**	76	**182**	159
Net income (loss)		**63**	(678)	**(179)**	(936)
Exchange differences on translation of foreign operations		**226**	702	**802**	580
Net comprehensive income (loss)		**289**	24	**623**	(356)
Net loss per share — basic and diluted	12	**0.00**	0.00	**0.00**	(0.00)
Weighted average shares outstanding (000s) — basic and diluted	12	**528,876**	485,304	**523,399**	485,304

See accompanying notes to the interim condensed consolidated financial statements.

Bengal Energy Ltd.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Thousands of Canadian dollars)

(unaudited)

For six months ended	**September 30, 2026**	September 30, 2025
Share capital		
Balance at beginning of period	**118,796**	118,796
Issued share capital, net of issue costs (Note 9)	**1,442**	—
Balance at end of period	**120,238**	118,796
Contributed surplus		
Balance at beginning of period	**8,173**	8,154
Share-based compensation — expensed	**14**	9
Share-based compensation — capitalized	**-**	1
Balance at end of period	**8,187**	8,164
Accumulated other comprehensive loss		
Balance at beginning of period	**(1,291)**	(2,894)
Exchange differences translation of foreign operations	**802**	580
Balance at end of period	**(489)**	(2,314)
Deficit		
Balance at beginning of period	**(103,087)**	(100,020)
Net loss	**(179)**	(936)
Balance at end of period	**(103,266)**	(100,956)
Total Shareholders' Equity	**24,670**	23,690

See accompanying notes to the interim condensed consolidated financial statements.

Bengal Energy Ltd.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Thousands of Canadian dollars)

(unaudited)

	Note	**Three months ended September 30, 2026**	Three months ended September 30, 2025	**Six months ended September 30, 2026**	Six months ended September 30, 2025
Operating activities:					
Net income (loss)		**63**	(678)	**(179)**	(936)
Add (deduct) non-cash items:					
Depletion and depreciation	6	**78**	245	**327**	497
Accretion on decommissioning liability	8	**39**	31	**78**	62
Share-based compensation	10	**7**	4	**14**	9
Unrealized foreign exchange (gain)		**(2)**	(4)	**(5)**	(11)
Funds from (used in) operations		**185**	(402)	**235**	(379)
Change in non-cash working capital	16	**(464)**	336	**(1,001)**	464
Net cash (used in) from operating activities		**(279)**	(66)	**(766)**	85
Investing activities:					
Exploration and evaluation (recoveries) expenditure	5	**(10)**	—	**—**	60
Property, plant, and equipment expenditures	6	**—**	(56)	**(14)**	(56)
Net cash (used in) from investing activities		**(10)**	(56)	**(14)**	4
Financing activities:					
Issued share capital, net of issuance cost	9	**(74)**	—	**1,442**	—
Net cash (used in) from financing activities		**(74)**	—	**1,442**	—
Net change in cash and cash equivalents		**(363)**	(122)	**662**	89
Cash and cash equivalents, beginning of period		**1,328**	913	**308**	708
Impact of foreign exchange		**9**	23	**4**	17
Cash and cash equivalents, end of period		**974**	814	**974**	814

See accompanying notes to interim condensed consolidated financial statements.

Bengal Energy Ltd.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Three and six months ended September 30, 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 engages 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 September 30, 2026 and 2025 and for the three and six months ended September 30, 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 International Accounting Standards ("IAS") 34, "Interim Financial Reporting". These interim financial statements do not include all the information required for full annual financial statements and have not been reviewed by the Company's independent auditors.

These financial statements were approved and authorized for issuance by the Board of Directors on November 10, 2026.

The consolidated financial statements are prepared on a historical cost basis except as detailed in the accounting policies disclosed in the Company's audited consolidated financial statements for the year ended March 31, 2026. 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 September 30, 2026, the Company had a positive working capital of $1.7 million (March 31, 2026 negative working capital of $0.1 million), which the Company defines as total current assets less total current liabilities, generated a net loss of $0.2 million (six months ended September 30, 2025 – net loss of $0.9 million), and had net cash used in operating activities of $0.8 million (six months ended September 30, 2025 - net cash from operating activities of $0.1 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 of 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 17) 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.

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. 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 used to prepare these financial statements are consistent with those described in Note 3 of the Company's consolidated financial statements for the year ended March 31, 2026.

IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 for annual periods beginning on or after 1 January 2027. 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. The Company expects the operating netback and funds from operations to be in the statement of income as management-defined performance measures and will be adopted on a retrospective basis effective on January 1, 2027 for its fiscal year beginning April 1, 2027.

4. 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 out-lined 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.

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

($000s)	
Balance, March 31, 2025	9,708
Additions (recoveries)	(60)
E&E impairment	(2,190)
Exchange adjustments	622
Balance, March 31, 2026	8,080
Exchange adjustments	267
Balance, September 30, 2026	8,347

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

($000s)	
ATP 732 / PCA 332 - Tookoonooka	8,319
Other	28
Balance, September 30, 2026	**8,347**

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. There were no impairment indicators as at September 30, 2026.

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 at March 31, 2026 reflects management's assessment of the prospectivity and future capital plans for these assets.

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.

6. PROPERTY, PLANT AND EQUIPMENT ("PP&E")

($000s)	Petroleum and natural gas properties	Other assets	Right-of-use assets	Total
Cost:				
Balance, March 31, 2025	53,630	347	143	54,120
Additions	69	—	—	69
Change in decommissioning liability	(330)	—	—	(330)
Exchange adjustments	4,799	—	—	4,799
Balance, March 31, 2026	58,168	347	143	58,658
Additions	14	—	—	14
Exchange adjustments	2,554	—	—	2,554
Balance, September 30, 2026	**60,736**	**347**	**143**	**61,226**

($000s)	Petroleum and natural gas properties	Other assets	Right-of-use assets	Total
Accumulated depletion,				
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
Depletion and depreciation	326	1	—	327
Exchange adjustments	1,976	—	—	1,976
Balance, September 30, 2026	**42,783**	**340**	**143**	**43,266**
Net book value:				
Balance, March 31, 2026	17,687	8	—	17,695
Balance, September 30, 2026	17,953	7	—	17,960

As at September 30, 2026 and March 31, 2026, there were no external or internal indicators of impairment. Due to minimal capital activity in the current fiscal period and the prior fiscal year, the Company did not capitalize any general and administration expense. The calculation of depletion for the six months ended September 30, 2026 included $19.6 million for estimated future development costs associated with proved and probable reserves in Australia (March 31, 2026 - $19.6 million).

7. NOTE PAYABLE

On March 3, 2025, the Company entered into an agreement to refinance its Joint Venture payment plan 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 controlling shareholder and director of Bengal.

The Note Payable is in the principal amount of $1.7 million, which was used to repay the Joint Venture payment plan 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 in 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 six months ended September 30, 2026, interest expense of $99 thousand was accrued and due to Texada (2025 - $99 thousand).

8. DECOMMISSIONING AND RESTORATION LIABILITY

Changes to decommissioning and restoration obligations were as follows:

($000s)	
Balance, March 31, 2025	3,105
Change in estimate	(330)
Accretion	128
Exchange adjustments	214
Balance, March 31, 2026	3,117
Accretion	78
Exchange adjustments	102
Balance, September 30, 2026	3,297

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 at September 30, 2026 is $3.6 million (March 31, 2026 – $3.5 million) which will be incurred between 2030 and 2049. At September 30, 2026, an inflation factor of 3.4% (March 31, 2026 – 3.4%) and a risk-free discount rate of 4.75% (March 31, 2026 – 4.75%) have been applied to the decommissioning and restoration liability.

9. 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, 2026	485,304,215	118,796
Issued share capital	43,571,428	1,525
Share issuance costs	—	(83)
Balance, September 30, 2026	528,875,643	120,238

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) and incurred issue cost of $73,488.

The Common Shares issued pursuant to the Offering was subject to a statutory hold period expiring four months plus a day from the closing date, which has expired in September 2026.

10. 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. On May 8, 2026, the Company granted 20,900,000 options to its employees, officers, and directors of the Company. The options issued have an exercise price of $0.04 per common share.

A summary of stock option activity is presented below:

	Options	Weighted average exercise price
Balance, March 31, 2025	9,570,000	0.07
Expired	(8,070,000)	0.08
Balance, March 31, 2026	1,500,000	0.03
Granted	20,900,000	0.04
Forfeited	—	—
Balance, September 30, 2026	22,400,000	0.04
Exercisable, September 30, 2026	**750,000**	**0.03**

Exercise price	Number outstanding	Remaining life (years)	Number exercisable
$0.03	1,500,000	3.0	750,000
$0.04	20,900,000	4.6	—

The fair value of the 20,900,000 options granted on May 8, 2026, of $0.03 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.

	May 8, 2026 grant
Share price on grant date	$0.04
Risk-free interest rate (%)	3.1
Expected life (years)	5.0
Expected volatility (%)	125
Forfeiture rate (%)	15

11. 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 generally 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 September 30, 2026 there were 8,422 bbls (March

31, 2026 – 11,734 bbls) of Pipeline Oil provisionally priced at US$115.12 per barrel (March 31, 2026 - US$100.05 per barrel). Total accrued revenue subject to this provisional pricing was $1.4 million (March 31, 2026 – $1.6 million).

12. PER SHARE AMOUNTS

Net income (loss) per share is calculated based on net loss and the weighted-average number of common shares outstanding.

($000s except per share amounts)	**Three months ended September 30, 2026**	Three months ended September 30, 2025	**Six months ended September 30, 2026**	Six months ended September 30, 2025
Net income (loss) for the period	**63**	(678)	**(179)**	(936)
Weighted average number of common shares — basic (000s)	**528,876**	485,304	**523,399**	485,304
Weighted average number of common shares — diluted (000s)	**528,876**	485,304	**523,399**	485,304
Basic and diluted - Loss per share	**0.00**	(0.00)	**(0.00)**	(0.00)

For the six months ended September 30, 2026, 22,400,000 (six months ended September 30, 2025 - 9,570,000) of the options were considered anti-dilutive.

13. FINANCE EXPENSE

($000s)	**Three months ended September 30, 2026**	Three months ended September 30, 2025	**Six months ended September 30, 2026**	Six months ended September 30, 2025
Interest expense	**47**	45	**105**	97
Accretion on decommissioning liability	**38**	31	**77**	62
	85	76	**182**	159

14. 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 September 30, 2026, Bengal's receivables consisted of $2.7 million (March 31, 2026 - $2.2 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 September 30, 2026 (March 31, 2026 – $nil) and did not provide for any doubtful accounts, nor was it required to write-off any receivables during the six months ended September 30, 2026.

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 in April 2027, totalling $3.8 million at September 30, 2026 (March 31, 2026 - $3.5 million). All of the trade and other payables are due in less than one year.

At September 30, 2026, the Company had positive working capital of $1.7 million (March 31, 2026 - negative working capital of $0.1 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 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 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. In October 2026, the Company paid approximately $0.9 million in settlement of joint venture payables included in trade and other payables at September 30, 2026 (Note 21). The payment reduced cash and the related payable by the same amount and had no effect on working capital at the reporting date.

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 17) 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.

The 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 in order 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 September 30, 2026:

(in $000s CAD)	CAD	AUD	USD	Total
Cash and cash equivalents	121	32	821	974
Accounts receivable	11	—	2,670	2,681
Trade and other payables	(520)	(1,554)	—	(2,074)
Note Payable	(1,700)	—	—	(1,700)
	(2,088)	(1,522)	3,491	(119)

Exchange rates as at	**September 30, 2026**	March 31, 2026
Number of CAD for 1 AUD	**0.99**	0.96
Number of CAD for 1 USD	**1.42**	1.39

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 September 30, 2026 and March 31, 2026.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is exposed to interest rate risk on its cash and cash equivalents at September 30, 2026. Cash and cash equivalents is restricted to investments with a maturity of three months or less.

15. 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.

In order 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.

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. At September 30, 2026, total capital was $26.2 million (March 31, 2026 – $24.3 million), calculated as shareholders' equity of $24.6 million (March 31, 2026 – $22.6 million) plus the Note Payable of $1.7 million (March 31, 2026 – $1.7 million). There have been no changes during fiscal 2027 with respect to how the Company manages its capital, other than the share issue in Note 9.

16. SUPPLEMENTAL CASH FLOW INFORMATION

Change in non-cash working capital items ($000s)	**Three months ended September 30, 2026**	Three months ended September 30, 2025	**Six months ended September 30, 2026**	Six months ended September 30, 2025
Accounts receivable	**(647)**	(88)	**(467)**	(5)
Prepaids and deposits	**(38)**	34	**(886)**	112
Trade and other payables	**200**	363	**292**	324
Effect of change in foreign currency	**21**	27	**60**	33
	(464)	336	**(1,001)**	464
Attributed to operating activities	**(464)**	336	**(1,001)**	464
	(464)	**336**	**(1,001)**	464

The following represents the cash interest paid in each period:

Cash interest paid ($000s)	**Three months ended September 30, 2026**	Three months ended September 30, 2025	**Six months ended September 30, 2026**	Six months ended September 30, 2025
Cash interest paid	**46**	45	**105**	97

17. COMMITMENTS

At September 30, 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	**10**	10	—	—	—
Note Payable	**1,700**	1,700	—	—	—
Decommissioning liabilities	**3,297**	—	725	—	2,572
	5,007	1,710	725	—	2,572

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 km^2. This included additional work commitments related to both ATP 732 and PCA 332 as outlined below. At September 30, 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	6.0
ATP 732 – Onshore Australia	Geological studies	February 2029	0.1

(1) Translated on September 30, 2026 at an exchange rate of AUD$1.00 = CAD$0.99.

18. 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 the six months ended September 30, 2026, interest of $99 thousand was accrued and paid to Texada. At September 30, 2026, accounts payable balance included an accrued interest payable of $12 thousand (March 31, 2026, $55 thousand). Interest is paid quarterly, cash interest of $86 thousand was paid in the six months ended September 30, 2026.

On April 6, 2026, the Company entered into a Promissory Note with Texada Capital Management to advance $1.1 million at an interest rate of 12% per annum. This note was fully repaid on May 6, 2026, including one month of accrued interest.

19. SEGMENTED INFORMATION

As at September 30, 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 group'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.

Three months ended September 30, 2026

($000s)	Australia	Corporate	Total
Revenue	**1,831**	**—**	**1,831**
Interest expense	**3**	**43**	**46**
Depletion and depreciation	**77**	**1**	**78**
Net (loss)	**248**	**(185)**	**63**
Property, plant, and equipment expenditures	**10**	**—**	**10**

Three months ended September 30, 2025

($000s)	Australia	Corporate	Total
Revenue	946	—	946
Interest expense	2	43	45
Depletion and depreciation	245	—	245
Net (loss)	(457)	(221)	(678)
Property, plant, and equipment expenditures	56	—	56

Six months ended September 30, 2026

($000s)	Australia	Corporate	Total
Revenue	**3,185**	**—**	**3,185**
Interest expense	**8**	**97**	**105**
Depletion and depreciation	**326**	**1**	**327**
Net (loss)	**269**	**(448)**	**(179)**
Property, plant, and equipment expenditures	**14**	**—**	**14**

Six months ended September 30, 2025

($000s)	Australia	Corporate	Total
Revenue	1,989	—	1,989
Interest expense	13	84	97
Depletion and depreciation	496	1	497
Net (loss)	(487)	(449)	(936)
Exploration and evaluation (recoveries)	(60)	—	(60)
Property, plant, and equipment expenditures	56	—	56

As at September 30, 2026 ($000s)	Australia	Corporate	Total
Exploration and evaluation assets	**8,347**	**—**	**8,347**
Property, plant, and equipment	**17,953**	**7**	**17,960**
Total assets	**31,585**	**156**	**31,741**
Total liabilities	**4,964**	**2,107**	**7,071**

As at March 31, 2026 ($000s)	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

20. PRIOR PERIOD PROCESSING ADJUSTMENTS

During the three months ended September 30, 2026, the Company was charged $371 under contractual reconciliations of transportation and processing costs relating to 2024 and 2025. The amounts were determined and invoiced in the current period and have been recognized in full in the current period. They are presented separately from operating expense because they do not relate to production activity in the current period. There is no comparative amount.

21. SUBSEQUENT EVENT

In October 2026, the Company paid approximately $0.9 million in settlement of joint venture payables included in trade and other payables at September 30, 2026. The amounts relate to matters under dispute arising from unsettled audit findings. The Company elected to pay the amounts in order to proceed to a formal dispute and the appointment of an independent expert. The payment is a non-adjusting subsequent event and has no effect on the amounts reported at September 30, 2026.

CORPORATE INFORMATION

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