PRESS RELEASE

August 13, 2010

Bengal Energy Announces Fiscal Q1 2011 Results, Production Start-up in Australia and Second Production Sharing Contract in India

Calgary, Alberta – Bengal Energy Ltd. (TSX: BNG) ("Bengal" or the "Company") today announced its financial and operating results for the first fiscal quarter of 2011. A highlights table is provided below.

Bengal is moving forward with the exploration and drilling of its large inventory of both low risk and high impact onshore and offshore opportunities on 2.3 million net acres of undeveloped land in India and Australia.

In June 2010, Bengal signed its second Production Sharing Contract ("PSC") with the Government of India, turning the provisional award of offshore block CY-OSN-2009/1 in India's Cauvery Basin into a formal agreement. Bengal's wholly-owned subsidiary, Bengal Energy International Inc., had been named provisional winner of the 340,000 acre block at the New Exploration Licensing Policy bid round in New Delhi, India in October 2009. Bengal is the operator and has a 100% working interest in the block.

Bengal will acquire 310 line kilometers of 2D seismic data and 81 square kilometers of 3D seismic data during the first four years of the seven year exploration phase. Drilling is required after the first four years in order to retain the block. The Company has identified a structure approximately 18,000 acres in size on existing 2D seismic that will be further evaluated through the committed geoscience work program. The block is subject to favourable fiscal terms including 100% cost recovery and a seven year tax holiday from the start of commercial production.

The year one work program for Bengal's onshore Cauvery basin block CY-ONN-2005/1 commenced in the quarter involving the acquisition of an aeromagnetic survey, reprocessing of existing 2D seismic and planning and design of a 3D seismic acquisition program for later in the fiscal year.

Production from Bengal's oil discovery on Authority to Prospect ("ATP") 752P ("the permit") in Australia's Cooper Basin commenced in May 2010. The well is producing clean oil at 52° API which is being trucked to the Jackson facility and then pipelined to Port Bonython near Adelaide. Bengal and its joint venture partners have acquired and interpreted over 300 km2 of 3D seismic data. Locations are being finalized and partner approvals are being sought to commence drilling up to three wells starting in the fourth quarter of this calendar year. Bengal's working interest is expected to increase in the Barta Block of ATP752P to 25% after contributing 55% of the cost to drill the next earning well. Bengal will then be fully carried on up to two additional exploration wells on the permit.

Geoscience work is also progressing on Bengal's other onshore and offshore blocks in Australia to accelerate play and prospect identification and future drilling locations.

HIGHLIGHTS

$000s except per share, volumes and netback amounts	Three Months Ended		
	06/30/10	**06/30/09**	**03/31/10**
Revenue			
Natural gas	**$ 125**	$ 219	$ 206
Natural gas liquids	**21**	56	22
Oil	**203**	299	52
Total	**349**	574	280
Royalties	**28**	65	39
% of revenue	**8.1**	11.3	13.9
Operating & transportation	**179**	246	116
Netback[1]	**142**	263	125
Cash flow from (used in) operations:	**(570)**	(628)	(493)
Per share ($) (basic & diluted)	**(0.03)**	(0.03)	(0.03)
Funds from (used in) operations[2]:	**(546)**	(298)	(626)
Per share ($) (basic & diluted)	**(0.03)**	(0.02)	(0.03)
Net (loss):	**(751)**	(865)	(1,396)
Per share ($) (basic & diluted)	**(0.04)**	(0.05)	(0.08)
Capital expenditures	**$ 93**	$ 154	$ 553
Volumes			
Natural gas (mcf/d)	**381**	684	377
Natural gas liquids (boe/d)	**4**	15	5
Oil (bbl/d)	**27**	43	7
Total (boe/d @ 6:1)	**94**	172	75
Netback[1] ($/boe)			
Revenue	**$ 40.92**	$ 36.54	$ 41.65
Royalties	**3.31**	4.11	5.79
Operating & transportation	**20.96**	15.64	17.19
Total	**$ 16.65**	$ 16.79	$ 18.67

(1) Netback is a non-GAAP measure. See non-GAAP measures below. Netback per boe is calculated by dividing the revenue and costs in total for the Company by the total production of the Company measured in boe.

(2) Funds from operations is a non-GAAP measure. The comparable GAAP measure is cash flow from operations. A reconciliation of the two measures can be found in the table on page 3 of Bengal's management's discussion and analysis for the quarter ended June 30, 2010.

The consolidated interim financial statements and management's discussion and analysis for the three months ended June 30, 2010 have been filed with Canadian securities regulators and are available on SEDAR at www.sedar.com or by visiting Bengal's website at www.bengalenergy.ca.

About Bengal

Bengal Energy Ltd. is an international junior oil and gas exploration and production company with assets in India and Australia. The Company is committed to growing shareholder value through international exploration, production and acquisitions. Bengal trades on the TSX under the symbol BNG. Additional information is available at www.bengalenergy.ca.

Disclaimers

This news release contains certain statements which constitute forward-looking statements or information, including required work commitments, work program capital expenditure requirements, timing of future drilling activities, the expected increase in Bengal's working interest in the Barta Block and the approximate size and nature of seismically defined features, and that geoscience work will lead to identification of drilling locations. Although the Company believes the expectations reflected in its forward-looking statements are reasonable, the forward-looking statements have been based on factors and assumptions concerning future events which may prove to be inaccurate.

Those factors and assumptions are based upon currently available information. Such statements are subject to known and unknown risks, uncertainties and other factors that could influence actual results or events and cause actual results or events to differ materially from those stated, anticipated or implied in the forward-looking statements. As such, readers are cautioned not to place undue reliance on the forward-looking statements, as no assurance can be provided as to future results, levels of activity or achievements. The Company has provided these forward-looking statements or information in reliance on certain assumptions that it believes are reasonable at this time, including assumptions that the operator on ATP 752P in Australia will execute a three-well drilling program as scheduled, that a rig will be secured for the drilling, that partner approvals will not be unduly withheld, that Bengal will be able to meet its work program capital expenditure requirements on its blocks and permits. Risks include, but are not limited to: uncertainties and other factors that are beyond the control of the Company, global economic conditions, risks associated with the oil and gas industry, commodity prices and exchange rate changes, operational risks associated with exploration, development and production operations, delays or changes in plans, and specific risks associated with the ability to execute production sharing contracts, ability to meet work commitments, ability to meet the capital expenditures, estimated size of any seismic features and whether additional geosciences work will progress to defining drillable locations. The Company assumes no obligation to update any forward-looking statements or to update the reasons why actual results could differ from those reflected in the forward-looking statements except as required by securities laws. Additional information identifying risks and uncertainties is contained in filings of the Company with Canadian securities regulators, which are available under the Company's profile at www.sedar.com.

Non-GAAP measures *- Netback and funds from operations are non-GAAP measures. Netback per boe is calculated by dividing the revenue and costs in total for the company by the total production of the company measured in boe. Management considers netback to be an important measure as it demonstrates profitability on a unit of production basis. Funds from (used in) operations is calculated as cash flow from operations before deducting changes in non-cash working capital. Management believes funds from operations is a useful supplemental measure as it demonstrates the ability to generate cash necessary to repay debt or fund growth through capital investment before changes in non-cash working capital balances. Investors are cautioned that funds from operations should not be construed as an alternative to cash flow from operations determined in accordance with GAAP.*

Barrels of oil equivalent *- When converting natural gas to barrels of oil equivalent (boe), Bengal uses the widely recognized standard of 6 thousand cubic feet (Mcf) of natural gas to one barrel of oil (bbl). Bengal cautions that boes may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf: 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.*

FOR FURTHER INFORMATION PLEASE CONTACT:

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