



November 12, 2010

## Bengal Energy Announces Fiscal Q2 2011 Results

Calgary, Alberta – Bengal Energy Ltd. (TSX: BNG) (“Bengal” or the “Company”) today announced its financial and operating results for the second quarter of fiscal 2011.

Having established a platform for significant growth, Bengal focused its activities in the second fiscal quarter of 2011 on further enhancing its world-class assets in India and Australia. The Company raised equity needed to develop its projects and prospects, added two new directors to its Board and began an active drilling program on the Barta Block in the Cooper Basin of Australia in November 2010.

### Recent Highlights

- Appointed Richard A.N. Bonnycastle and Robert D. Steele to the board of directors;
- Closed a common share equity financing in September at \$1.00 per share for total gross proceeds of \$12 million. Net proceeds are being used to fund Bengal’s ongoing capital expenditure programs in India and Australia and for general working capital purposes; and
- Increased production, oil and gas revenue and capital expenditures in the second quarter of fiscal 2011 compared with the first quarter of fiscal 2011. Production year over year declined primarily as a result of the disposition of four natural gas wells in Canada in September 2009. This decline was offset by higher than anticipated production from the Company’s Cuisinier-1 oil discovery in Australia’s Cooper Basin.

\$000s except per share, volumes and netback amounts	Three Months Ended		
	09/30/10	09/30/09	06/30/10
Revenue			
Natural gas	\$ 127	\$ 218	\$ 125
Natural gas liquids	16	67	21
Oil	240	220	203
Total	383	505	349
Royalties	40	74	28
% of revenue	10.5	14.8	8.1
Operating & transportation	220	230	179
Netback <sup>(1)</sup>	123	201	142
Cash flow from (used in) operations:	(460)	(263)	(570)
Per share (\$) (basic & diluted)	(0.02)	(0.01)	(0.03)
Funds from (used in) operations: <sup>(2)</sup>	(472)	(295)	(546)
Per share (\$) (basic & diluted)	(0.02)	(0.02)	(0.03)
Net (loss):	(684)	(1,848)	(751)
Per share (\$) (basic & diluted)	(0.04)	(0.10)	(0.04)
Capital expenditures	\$ 174	\$ (426)	\$ 93
Volumes			
Natural gas (mcf/d)	366	787	381
Natural gas liquids (boe/d)	5	17	4
Oil (bbl/d)	36	36	27
Total (boe/d @ 6:1)	102	184	94
Netback <sup>(1)</sup> (\$/boe)			
Revenue	\$ 41.59	\$ 29.70	\$ 40.63
Royalties	4.38	4.39	3.28
Operating & transportation	23.88	13.54	20.81
Total	\$ 13.33	\$ 11.77	\$ 16.54

<sup>(1)</sup> Netback is a non-GAAP measure. 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's.

<sup>(2)</sup> 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 2 of the Company's management's discussion and analysis for the three and six months ended September 30, 2010.

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

***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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