



October 25, 2011

Bengal Energy Announces Operational Developments

Calgary, Alberta – Bengal Energy Ltd. (TSX: BNG) (“Bengal” or the “Company”) has commenced operations on a number of its projects in both Australia and India and is expecting an active drilling and seismic acquisition program during 2011 and 2012.

DRILLING & SEISMIC OPERATIONS:

Australia Offshore

AC/P 24

The Kingtree well located on the AC/P 24 permit in the Ashmore Cartier area, off the north coast of Australia in the Timor Sea, was drilled during October to evaluate a potential oil target. The well encountered significant thicknesses of reservoir sandstone in both the primary and secondary zones; however, no commercial hydrocarbons were encountered and the well has been plugged and abandoned. The well was drilled on time and is anticipated to be under budget with expected costs to Bengal based on its 10% working interest, of approximately \$1.2 million. Further analysis of the information gained from the well will be integrated into the planning for future exploration activity on AC/P 24.

AC/P 47

The AC/P 47 permit is located off the northern coast of Australia, 150 kilometres west of the Vulcan Graben, an established offshore producing area. The Company is currently designing and planning for a 750 square km 3D seismic program that it anticipates will commence late in 2011 and early 2012.

Australia Onshore

ATP 752 Barta Block

In the Barta sub-block (“Barta Block”) in the northern portion of Authority to Prospect 752P, the previously reported Cuisinier 2 and Cuisinier 3 wells have commenced production at rates consistent with expectations from earlier production tests. Over the month of September total production from Cuisinier 1, 2 and 3 increased to a total of 560 barrels of oil per producing day (net to Bengal 140 bbls). The wells produced for approximately 22 days during September 2011.

Tie-in options are currently being reviewed by the operator for the previously reported Barta North 1 well. This well was equipped as a Murta oil producer and sits approximately 4 km from the infrastructure associated with the Cuisinier 1, 2 and 3 wells.

The Company holds a 25% interest in both the Cuisinier discovery and the 360,000 acre Barta Block portion of exploration permit ATP 752P. Numerous seismic anomalies have been defined on ATP 752P and further appraisal and step out drilling is in the planning stage.

ATP 732 Tookoonooka Block

In the (654,000 acre) 100% owned ATP 732P located in the Cooper Basin, surveying and line clearing operations are currently underway for a 456 km 2D and associated 51 square km 3D seismic program. The actual vibroseis seismic acquisition program is anticipated to commence October 27, 2011 and to be completed in approximately 32 days. It is designed to image both Permian subcrop anomalies as well as shallower oil targets. In addition, Bengal has begun work on the integration of an airborne geophysical survey acquired over the Tookoonooka Astrobleme (meteorite impact crater) with a view to imaging structural elements believed to assist in trapping oil and or natural gas accumulations similar to those seen in other features of this nature in sedimentary basins in many other parts of the world.

Results and interpretation from both the 2D and 3D seismic programs as well as airborne geophysics are expected early in calendar Q1 2012, which should allow the design of the drill program for the initial 100% well in ATP 732P to be finalized shortly thereafter. Pending drilling rig availability, Bengal expects to spud the initial exploration well in calendar Q2 2012.

India – Offshore

CY-OSN-2009/1

Evaluation work is continuing on the large (340,000 acre) 100% owned and operated Block CY-OSN-2009/1 in India's offshore Cauvery basin. Activity includes reprocessing all available seismic records and acquiring certain 2D and 3D regional surveys previously recorded by other operators. Additional pre-existing seismic data has been located and is being integrated with the existing seismic data set. The acquisition of additional seismic data during the balance of 2011 and calendar Q1 2012 is designed to accelerate the timing of the drilling of an exploration well.

India – Onshore

CY-ONN-2005/1

On Bengal's 30% working interest, 233,000 gross acre Block CY-ONN-2005/1 located in onshore Cauvery Basin, Bengal and its joint venture partners consisting of Gas Authority of India Ltd. and Gujarat State Petroleum Corporation have commenced the acquisition of a 3D seismic program of approximately 600 square km. The program is anticipated to be completed early in 2012. As well, airborne magnetometry work will be carried out over the permit in association with the seismic acquisition program. The seismic acquisition and airborne magnetometry work is intended to help the joint venture accelerate the definition of drilling locations on the permit.

Commenting on the recent operational progress, Chayan Chakrabarty, President and Chief Executive Officer of Bengal said, "Bengal's ability to execute our go forward strategy to become an active operator and participant in both Australia and India has become a reality with the commencement of multiple exploration programs in both jurisdictions. The new Bengal team continues to be active both operationally and in other business development activities."

Bengal has approximately \$33 million in positive working capital to fund its capital program.

About Bengal

Bengal Energy Ltd. is an international junior oil and gas exploration and production company with assets in Australia and India. 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.

Forward-Looking Statements

This news release contains certain forward-looking statements that involve substantial known and unknown risks and uncertainties, many of which are beyond Bengal's control. These statements relate to future events or our future performance. All statements other than statements of historical fact may be forward looking statements. The projections, estimates and beliefs contained in such forward looking statements are based on management's estimates, opinions, and assumptions at the time the statements were made, including assumptions relating to: the impact of general global economic conditions in Canada, Australia, India and in the United States, industry conditions, changes in laws and regulations including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced, increased competition, the lack of availability of qualified operating or management personnel, fluctuations in commodity prices, foreign exchange or interest rates, stock market volatility and fluctuations in market valuations of companies with respect to announced transactions and the final valuations thereof, and the ability to obtain required approvals from regulatory authorities. We believe the expectations reflected in those forward-looking statements are reasonable but, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that Bengal will derive from them. Forward-looking statements contained in this news release include, without limitation:, expectations related to future exploration activity on AC/P 24; timing of 750 square km 3D seismic program on AC/P 47; timing of the Barta North 1 well tie in, further step out drilling and other activities on ATP 752P; timing and nature of the seismic program and the drilling of the initial well on ATP 732P; acquisition of seismic on CY-OSN-2009/1 and completion of seismic program on CY-ONN-2005/1. The forward looking statements contained herein are subject to numerous known and unknown risks and uncertainties that may cause Bengal's actual financial results, performance or achievement in future periods to differ materially from those expressed in, or implied by, these forward-looking statements, including but not limited to those material risks

discussed in Bengal's Annual Information Form under the heading "Risk Factors" and in Bengal's annual MD&A under the heading "Risk Factors". The forward-looking statements contained in this news release speak only as of the date hereof and Bengal does not assume any obligation to publicly update or revise them to reflect new events or circumstances, except as may be require pursuant to applicable securities laws.

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