



Bengal Energy Announces Updated Corporate Presentation, Provides Operations Review of Australian Properties and Files MD&A and Financial Interim Report for Q1 Fiscal Year 2013

August 13 2012 - Calgary, Alberta – Bengal Energy Ltd. ("**Bengal**" or the "**Company**") (TSX: BNG) is pleased to provide an updated corporate presentation and operations review of its Australian properties and announce the filing of its unaudited, condensed consolidated interim Financial Statements and Management's Discussion and Analysis for the first quarter ended June 30, 2012. A copy of these documents can be viewed at www.sedar.com and on the Company's website: www.bengalenergy.ca.

Operations Review – Onshore Australia Properties – Cooper-Eromanga Basin

HIGHLIGHTS:

- Participated in 4 Cuisinier wells that have been cased as potential future oil producers and are awaiting completion. Pressure survey information combined with well production data suggests significant remaining reserves upside on the Barta sub-Block (the "**Barta Block**") portion of permit Authority to Prospect ("**ATP**") 752.
- At Cuisinier, for the fiscal year ending March 31, 2012, Proved plus Probable ("**2P**") Finding and Development costs ("**F&D costs**") were \$12.78 per barrel, recycle ratio was 5.38 and field netback was CAD\$68.81 per barrel. (See "**Disclaimer**" section of this press release.)
- Our partner on permit ATP 752 is preparing plans to develop facilities to tie in the existing and new Cuisinier wells to permanent facilities.
- Production in the period was reduced as our partner on ATP 752 continued negotiations with the regulators to obtain the grant of a Long Term Petroleum Production License for the Cuisinier 1 well. Production capability remains in the (net) 140 bopd range with significant upside when the new Cuisinier wells are completed. This upside, or behind pipe volume will be realized once the above mentioned facilities are commissioned.
- DeGolyer and MacNaughton Canada Limited ("**DeGolyer**") an independent reserves evaluator evaluated the Company's Proved plus Probable plus Possible ("**3P**") reserves as at March 31, 2012, the details of which are included in the attached tables.
- Our recently purchased drilling rig, Bengal 1, (the "**Rig**") was in transit to Australia and subsequent to the quarter ended June 30, 2012, landed in Brisbane, cleared quarantine and is now going through the final safety and commissioning process to prepare to spud the first Tookoonooka well on permit ATP 732 in August, 2012.

ATP 752 Barta Block

During the quarter ended June 30, 2012 the Company participated in the drilling of 4 new wells based on its 25% working interest in the Barta Block. All four were cased and suspended as future oil producers from the Murta zone and may provide additional oil reserves and value. These successful wells support the pre drill geophysical interpretation and have now extended the oil bearing DC 70 trend to 4,400 metres from south to north and has expanded the DC 70 sand oil window to 25 metres. The DC 70 trend appears to be above any interpreted oil water contact and to date has not produced appreciable amounts of water. Completion and tie in operations have been scheduled to begin in mid August for each of the four new wells and the existing Barta North well, with all such wells expected to be available, subject to regulatory approval, for extended production testing by the end of calendar year 2012.

Planning is underway for the shooting of a new 3D seismic survey in late calendar 2012 to early 2013. This seismic is expected to be acquired north of and adjoining the current 3D seismic data set and the existing Cuisinier wells and development area, and will be aimed at imaging Murta, Birkhead and Hutton anomalies, both structural and stratigraphic.

The operator of ATP 752 has indicated that it plans to tie the recent successfully drilled Cuisinier wells (collectively, the "**Cuisinier Producers**") into the existing Cuisinier 1 facility. Engineering planning work is underway to convert the Cuisinier 1 facility site to a central field satellite where all well production will be gathered and metered. A feasibility study has been undertaken with respect to the possible connection of the Cuisinier production to the neighboring and existing Cook production facility via a pipeline. The application for Extended Production Test ("**EPT**") approval for the Cuisinier Producers is in process. Regulatory delays relative to the granting of an extension to the EPT for testing of the Cuisinier 1 well continue. Bengal has recently been advised by the operator of ATP 752 that the existing 700 barrel per day production infrastructure will be close to or fully utilized for the new wells coming on stream through to year end 2012. The current net impact to Bengal of the Cuisinier 1 being offline is 70 bopd.

At the original discovery well Cuisinier 1 an 82 day acoustic pressure buildup test has been conducted. This buildup test indicates a pressure drop from the pre-production period (virgin reservoir pressure) of approximately 4.5%. Cumulative test production prior to the buildup test has been 123,200 barrels of high quality, 52 degree API crude oil.

Since the start of the Cuisinier drilling and production project Bengal has achieved an F&D cost of CAD\$18.23 per barrel and a recycle ratio of 3.53. For the last fiscal year ending March 31, 2012 F&D costs were \$12.78 per barrel, recycle ratio was 5.38 and field netback was CAD\$68.81 per barrel. These F&D costs do not include costs or reserves from the recent successful Cuisinier drilling campaign conducted in fiscal 2013.

ATP 732 Tookoonooka Block

Drilling operations for the first three exploratory wells on ATP 732 have now been scheduled for late August 2012, subject to the receipt of all required regulatory and environmental approvals. The Company intends to utilize the recently acquired, and 100% owned Rig for all three wells. The Rig has been successfully imported into Brisbane, Queensland and the Company is currently completing the required operations, including, without limitation, all mechanical and electrical

maintenance and inspections, to have the Rig operational and ready for mobilization in late August in order to commence the ATP 732 drilling program.

All three of the proposed well locations will target Cretaceous and Jurassic oil as well as Permian gas and were chosen based on their multi-zone potential with as many as three or four prospective targets on each location. The primary target is oil on two locations and both gas and oil on a third location.

The Company is currently seeking a joint venture partner to participate in the exploration of this permit.

ATP 934 Barrolka Block

Final application for Ministerial grant of the permit for ATP 934 has been filed with the applicable regulatory authority. No further activity is planned on this permit until the Ministerial grant of the tenement is received. The Company holds a 50% operating interest in this 361,268 acre permit.

Corporate Presentation and 3P Reserves

The Company is pleased to announce that it has updated its corporate presentation, a copy of which is available on the Company's website at www.bengalenergy.ca. The updated presentation includes certain information with respect to the Company's Possible (3P) reserves, and the net present value of future net revenue associated therewith, as at March 31, 2012, a summary of which is included in the following tables. The reserves data contained in the presentation and the tables below is based upon a report (the "**DeGolyer Report**") prepared by DeGolyer and MacNaughton Canada Limited ("**DeGolyer**") dated May 8, 2012 evaluating the crude oil, natural gas liquids and natural gas reserves of Bengal as at March 31, 2012, which was prepared in accordance with National Instrument 51-101 ("**NI 51 101**") and the Canadian Oil and Gas Evaluation Handbook ("**COGEH**"). DeGolyer is an independent reserves evaluator pursuant to NI 51 101 and the COGEH. **It should not be assumed that the estimates of future net revenues presented in the tables below represent the fair market value of the reserves. There is no assurance that the forecast prices and costs assumptions will be attained and variances could be material. The recovery and reserve estimates of Bengal's oil reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual oil reserves may be greater than or less than the estimates provided herein.**

HIGHLIGHTS:

- In summary total Proved plus Probable plus Possible reserves amount to 1.366 million barrels of oil equivalent (boe) with a 10% NPV value of \$33.189 million.
- Additionally a further 10,590 acre undeveloped area is estimated to be within the seismically defined greater Cuisinier structural closure.
- Bengal has recently contracted a third party resource evaluator to do a report on the resource potential at Cuisinier for the Murta sand complex. Results from this report are

expected in September, 2012.

- In addition, no reserves volumes or value for the four recently drilled Cuisinier wells are included in the following summary.

Reserves Data (Forecast Prices and Costs)

SUMMARY OF OIL AND GAS RESERVES
AND NET PRESENT VALUES OF FUTURE NET REVENUE
AS OF MARCH 31, 2012
FORECAST PRICES AND COSTS

RESERVES CATEGORY	RESERVES									
	LIGHT AND MEDIUM OIL		HEAVY OIL		NATURAL GAS		NATURAL GAS LIQUIDS		TOTAL	
	Gross (Mbbl)	Net (Mbbl)	Gross (Mbbl)	Net (Mbbl)	Gross (MMcf)	Net (MMcf)	Gross (Mbbl)	Net (Mbbl)	Gross (MBOE)	Net (MBOE)
TOTAL										
Proved Developed										
Producing	66	59	-	-	415	378	5	5	140.2	127
Non-Producing	15	13	-	-	-	-	-	-	15	13
Proved Undeveloped	-	-	-	-	-	-	-	-	-	-
Total Proved	81	72	-	-	415	378	5	5	155.2	140
Probable	369	329	-	-	621	423	9	6	481.5	405.5
Total Proved Plus Probable	450	401	-	-	1,036	801	14	11	636.7	545.5
Possible	650	579	-	-	449	332	5	5	729.8	639.3
Total Proved Plus Probable Plus Possible	1,100	980	-	-	1,485	1,133	19	16	1,366.5	1,184.8
CANADIAN PROPERTIES										
Proved Developed										
Producing	-	-	-	-	415	378	5	5	74.2	68
Non-Producing	-	-	-	-	-	-	-	-	-	-
Proved Undeveloped	-	-	-	-	-	-	-	-	-	-
Total Proved	-	-	-	-	415	378	5	5	74.2	168
Probable	-	-	-	-	621	423	9	6	112.5	76.5
Total Proved Plus Probable	-	-	-	-	1,036	801	14	11	186.7	144.5
Possible	-	-	-	-	449	332	5	5	79.8	60.3
Total Proved Plus Probable Plus Possible	-	-	-	-	1,485	1,133	19	16	266.5	204.8
AUSTRALIAN PROPERTIES										
Proved Developed										
Producing	66	59	-	-	-	-	-	-	66	59
Non-Producing	15	13	-	-	-	-	-	-	15	13
Proved Undeveloped	-	-	-	-	-	-	-	-	-	-
Total Proved	81	72	-	-	-	-	-	-	81	72
Probable	369	329	-	-	-	-	-	-	369	329
Total Proved Plus Probable	450	401	-	-	-	-	-	-	450	401
Possible	650	579	-	-	-	-	-	-	650	579
Total Proved Plus Probable Plus Possible	1,100	980	-	-	-	-	-	-	1,100	980

Notes:

- (1) Estimates of reserves of natural gas include associated and non-associated gas.
- (2) "Gross Reserves" are Corporation's working interest reserves (operating and non-operating) before the deduction of royalties and without including any royalty interest of the Corporation.

- (3) "Net Reserves" are Corporation's working interest reserves (operating and non-operating) after deductions of royalty obligations plus the Corporation's royalty interests.
- (4) "Proved reserves (1P)" are those reserves that can be estimated with a high degree of certainty to be recoverable; it is likely that the actual remaining quantities recovered will exceed the estimated proved reserves; at least a 90% probability that the quantities actually recovered will equal or exceed the estimated proved reserves is the targeted level of certainty. "Probable reserves (2P)" are those additional reserves that are less certain to be recovered than proved reserves; it is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves; at least a 50% probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable reserves is the targeted level of certainty. "Possible reserves (3P)" are those additional reserves that are less certain to be recovered than probable reserves; there is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probably plus possible reserves.
- (5) The numbers in this table may not add exactly due to rounding.

NET PRESENT VALUES OF FUTURE NET REVENUE											UNIT VALUE
RESERVES CATEGORY	BEFORE INCOME TAXES DISCOUNTED AT					AFTER INCOME TAXES DISCOUNTED AT					BEFORE
	(%/year)					(%/year)					INCOME TAX
	0	5	10	15	20	0	5	10	15	20	DISCOUNTED
	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)	AT 10%/year
TOTAL											
Proved Developed											
Producing	3,869	3,602	3,364	3,149	2,958	3,869	3,602	3,364	3,149	2,958	26.49
Non-Producing	396	364	334	308	283	396	364	334	308	283	25.69
Proved Undeveloped											
Total Proved	4,265	3,966	3,698	3,457	3,241	4,265	3,966	3,698	3,457	3,241	26.41
Probable	22,106	16,616	13,015	10,543	8,770	20,111	15,511	12,396	10,194	8,572	32.10
Total Proved Plus Probable	26,371	20,582	16,713	14,000	12,011	24,376	19,477	16,094	13,651	11,813	30.64
Possible	38,738	24,345	16,476	11,838	8,907	27,143	17,268	11,887	8,711	6,691	25.77
Total Proved Plus Probable Plus Possible	65,109	44,927	33,189	25,838	20,918	51,519	36,745	27,981	22,362	18,504	28.01
CANADIAN PROPERTIES											
Proved Developed											
Producing	359	320	286	256	231	359	320	286	256	231	4.23
Non-Producing	-	-	-	-	-	-	-	-	-	-	-
Proved Undeveloped	-	-	-	-	-	-	-	-	-	-	-
Total Proved	359	320	286	256	231	359	320	286	256	231	4.23
Probable	197	110	42	(10)	(51)	197	110	42	(10)	(51)	0.55
Total Proved Plus Probable	556	430	328	246	180	556	430	328	246	180	2.27
Possible	78	19	-22	-49	-68	78	19	-22	-49	-68	-0.36
Total Proved Plus Probable Plus Possible	634	449	306	197	112	634	449	306	197	112	1.49
AUSTRALIAN PROPERTIES											
Proved Developed											
Producing	3,510	3,282	3,078	2,893	2,727	3,510	3,282	3,078	2,893	2,727	52.11
Non-Producing	396	364	334	308	283	396	364	334	308	283	25.45
Proved Undeveloped	-	-	-	-	-	-	-	-	-	-	-
Total Proved	3,906	3,646	3,412	3,201	3,010	3,906	3,646	3,412	3,201	3,010	47.27
Probable	21,909	16,506	12,973	10,553	8,821	19,914	15,401	12,354	10,204	8,623	39.44
Total Proved plus Probable	25,815	20,152	16,385	13,754	11,831	23,820	19,047	15,766	13,405	11,633	40.85
Possible	38,660	24,326	16,498	11,887	8,975	27,065	17,249	11,909	8,760	6,759	28.51
Total Proved Plus Probable Plus Possible	64,475	44,478	32,883	25,641	20,806	50,885	36,296	27,675	22,165	18,392	33.57

Notes:

- (1) Net present value of future net revenue includes all resource income: sale of oil, gas by-product reserves; processing of third party reserves; and other income.
- (2) Income Taxes includes all resource income, appropriate income tax calculations and prior tax pools.
- (3) The unit values are based on net reserve volumes before income tax (BFIT).
- (4) The numbers in this table may not add exactly due to rounding.
- (5) For information regarding the pricing, exchange rate and inflation rate assumptions used by DeGolyer in the DeGolyer Report, please see Bengal's Annual Information Form dated June 29, 2012 for the year ended March 31, 2012, which is available under Bengal's profile at www.sedar.com.

About Bengal

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

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Disclaimers

Forward-Looking Statements

This news release contains certain forward-looking statements or information ("forward-looking statements") as defined by applicable securities laws 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 use of any of the words "plan", "expect", "prospective", "project", "intend", "believe", "should", "anticipate", "estimate", or other similar words or statements that certain events "may" or "will" occur are intended to identify 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 economic conditions in North America, Australia, India and globally; industry conditions; changes in laws and regulations including, without limitation, the adoption of new environmental and regulatory laws and regulations and changes in how they are interpreted and enforced; increased competition; the availability of qualified operating or management personnel; fluctuations in commodity prices, foreign exchange or interest rates; stock market volatility and fluctuations in market valuations of companies with respect to announced transactions and the final valuations thereof; and the ability to obtain required approvals and extensions 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. As such, undue reliance should not be placed on forward-looking statements. Forward-looking statements contained herein include, but are not limited to, statements regarding: timing for the Cuisinier Producers to come on stream; completion and tie-in operations for the Company's wells, including the timing thereof; the Company's proposed seismic operations; future drilling operations, including, without limitation, the timing, location and targeted zones of new wells; the possible connection of Cuisinier production to the Cook facility; the application for the extended production test and petroleum production license; reserves data and the net present value of reserves; reserve upside on the Barta Block; timing of the Toookoonooka drilling program and Bengal's use of the Rig and the mobilization thereof. 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, risks associated with: the failure to secure access to necessary infrastructure, the failure to obtain required regulatory approvals or extensions; failure to secure required equipment and personnel; changes in general global economic conditions including, without limitations, the economic conditions in North America, Australia, India; increased competition; the availability of qualified operating or management personnel; fluctuations in commodity prices, foreign exchange or interest rates; changes in laws and regulations including, without limitation, the adoption of new environmental and tax laws and regulations and changes in how they are interpreted and enforced; the results of exploration and development drilling and related activities; the ability to access sufficient capital from internal and external sources; and stock market volatility. Readers are encouraged to review the 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" which are available under the Company's profile at www.sedar.com. The Company cautions that the foregoing list of assumptions, risks and uncertainties is not exhaustive. 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 required pursuant to applicable securities laws.

Finding and Development Costs

The following table sets forth the Company's F&D costs for the applicable periods:

	Proven	Proven + Probable
	Finding and Development Costs	Finding and Development Costs
	CAD\$	CAD\$
Fiscal year ended March 31, 2012	\$21.42	\$12.78
Fiscal year ended March 31, 2011	\$66.08	\$7.16
Average for the 3 most recent fiscal years	\$73.21	\$18.23

Notes:

- (1) The aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated future development costs generally will not reflect total finding and development costs related to reserves additions for that year. In addition, the F&D costs set forth above do not include costs or reserves from the recent successful Cuisinier drilling campaign conducted in fiscal 2013.
- (2) F&D costs were calculated in accordance with Section 5.15 of NI 51-101

Barrels of Oil Equivalent

When converting natural gas to equivalent barrels of oil, Bengal uses the widely recognized standard of 6 thousand cubic feet (mcf) to one barrel of oil (boe). However, a boe 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. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

Netbacks

Netback is a non-IFRS measure. Netback per boe is calculated by dividing the revenue less royalties, operating and transportation costs in total for the Company by the total production of the Company measured in boe.

Recycle Ratio

Recycle Ratio is a non-IFRS measure. Recycle ratio is calculated by dividing netback by F&D costs.