



October 5, 2012

Bengal Energy Ltd. Announces Over 600% 3P Reserve Increase in Mid-year Reserve Update, Cuisinier Field, Australia

Calgary, Alberta – Bengal Energy Ltd. (TSX: BNG) (“Bengal” or the “Company”) is pleased to announce a summary of the results of an independent report (the “GLJ Report”) of the quantity of oil reserve volumes contained on Company lands within the boundaries of the Barta sub-Block, of Authority to Prospect (“ATP”) 752 onshore Australia in the Cooper/Eromanga Basins in the State of Queensland. The GLJ Report, effective September 30, 2012, was conducted by GLJ Petroleum Consultants Ltd. (“GLJ”) of Calgary, Alberta in accordance with the Canadian Oil and Gas Evaluation Handbook (“COGEH”) and National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities (“NI 51-101”). GLJ is a qualified reserves evaluator in accordance with NI 51-101.

HIGHLIGHTS:

- **Cuisinier Project 3P reserves increased over 600%:** The GLJ report has assigned 7.5 million Proved plus Probable plus Possible (“3P”) barrels of oil to the Company’s interest in the Cuisinier property, a 614% increase from March 31, 2012.
- **Proved reserves increased 900%:** Proved reserves increased to 0.7 million barrels, a 904% increase from March 31, 2012, while Proved plus Probable (“2P”) reserves increased to 1.5 million barrels, a 269% increase.
- **Increases reflect successful drilling program:** Since March, 2012 the Company has drilled four additional potential future oil producers, making the drilling program eight for eight and indicating a substantial expansion of the Cuisinier pool size. This completes the Cuisinier drilling program for the current fiscal year.
- **Net present values increase significantly:** The before tax Net Present Values, discounted at 10%, of the Company’s reserves as estimated in the GLJ Report amount to \$164.6 million for the 3P reserves and \$36.8 million for the 2P reserves, increases from March of 422% and 138%, respectively.

Reserves

Reserves and production information included herein is stated on a Gross Reserves Company interest basis (before royalty burdens and including royalty interests receivable) unless noted otherwise. The results of the Report are based on all available seismic and well information within the report area provided by Bengal to GLJ, as well as non-confidential data available from other operators in the basin. The GLJ Report used seismic and well data to define the areal extent and thickness of hydrocarbon accumulations in the Murta formations on Company lands.

The reserves data contained in the tables below is based upon the GLJ Report. The Company expects the next annual reserves update to occur as of the current fiscal year ending March 31, 2013; additional Cuisinier drilling is expected to take place thereafter. **It should not be assumed that the estimates of future net revenues presented in the tables below and elsewhere in the press release 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.**



Reserves Data (Forecast Prices and Costs)

SUMMARY OF OIL RESERVES
AND NET PRESENT VALUES OF FUTURE NET REVENUE
AS OF SEPTEMBER 30, 2012
FORECAST PRICES AND COSTS

CUISINIER PROPERTY - AUSTRALIA

RESERVES CATEGORY	Light Oil		10% NVP	
	Gross (Mbbl)	Net (Mbbl)	Before Tax Present Value (M\$)	After Tax Present Value (M\$)
TOTAL				
Proved Developed				
Producing	16	14	755	755
Non-Producing	216	192	8,340	8,340
Proved Undeveloped	485	432	7,081	6,909
Total Proved	717	638	16,176	16,004
Probable	833	741	20,623	15,189
Total Proved Plus Probable	1,550	1,379	36,799	31,193
Possible	5,962	5,307	127,763	89,984
Total Proved Plus Probable Plus Possible	7,512	6,686	164,562	121,177

Notes:

- (1) Estimates of reserves include only light oil from the Cuisinier property in Australia at September 30, 2012. Refer to the Company's March 31, 2012 AIF filed on www.SEDAR.com for the Company's total reserves.
- (2) "Gross Reserves" are Corporation's working interest reserves (operating and non-operating) before the deduction of royalties.
- (3) "Net Reserves" are Corporation's working interest reserves (operating and non-operating) after deductions of royalty obligations.
- (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 Probable plus Possible reserves.
- (5) The estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation.

SUMMARY OF NET PRESENT VALUES OF FUTURE NET REVENUE
 CUISINIER PROPERTY – AUSTRALIA
 AS OF SEPTEMBER 30, 2012
 (FORECAST PRICES & COSTS)

RESERVES CATEGORY	BEFORE INCOME TAXES DISCOUNTED AT (%/year)					UNIT VALUE BEFORE INCOME TAX DISCOUNTED
	0	5	10	15	20	AT 10%/year
	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)	(\$/Bbl)
TOTAL						
Proved Developed						
Producing	900	820	755	701	656	46.47
Non-Producing	10,730	9,374	8,340	7,525	6,865	38.72
Proved Undeveloped	12,336	9,271	7,081	5,475	4,270	14.60
Total Proved	23,966	19,465	16,176	13,701	11,791	22.56
Probable	35,575	26,461	20,623	16,674	13,881	24.76
Total Proved Plus Probable	59,541	45,926	36,799	30,375	25,672	23.74
Possible	297,982	186,729	127,763	92,979	70,824	21.43
Total Proved Plus Probable Plus Possible	357,523	232,655	164,562	123,354	96,496	21.91

RESERVES CATEGORY	AFTER INCOME TAXES DISCOUNTED AT (%/year)					UNIT VALUE AFTER INCOME TAX DISCOUNTED
	0	5	10	15	20	AT 10%/year
	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)	(\$/Bbl)
TOTAL						
Proved Developed						
Producing	900	820	755	701	656	46.47
Non-Producing	10,730	9,374	8,340	7,525	6,865	38.72
Proved Undeveloped	11,866	8,991	6,909	5,367	4,201	14.23
Total Proved	23,496	19,185	16,004	13,593	11,722	22.32
Probable	24,905	18,983	15,159	12,609	10,768	18.24
Total Proved Plus Probable	48,401	38,168	31,163	26,202	22,490	20.13
Possible	208,549	131,018	90,014	65,816	50,444	15.10
Total Proved Plus Probable Plus Possible	256,950	169,186	121,177	92,018	72,934	16.13

Notes:

- (1) Net present value of future net revenue includes only light oil resource income from the Cuisinier property in Australia.
- (2) Income taxes includes all resource income, appropriate income tax calculations and prior tax pools.



FOR FURTHER INFORMATION PLEASE CONTACT:

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About Bengal

Bengal Energy Ltd. is an international junior oil and gas exploration and production company based in Calgary, Alberta. 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 include expectations related to the accuracy of reserves estimates; the timing of the next reserves update and the timing of the additional Cuisinier drilling. 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.