PRESS RELEASE

August 28, 2013

Bengal Energy Announces Record Production and Operational Update from Activities in Cooper Basin, Australia

Calgary, Alberta – Bengal Energy Ltd. (TSX: BNG) ("Bengal" or the "Company") today announces record production volumes along with an operational update from its activities in the Cooper Basin, Queensland, Australia.

Production Volumes:

Bengal is pleased to announce that during July 2013, 11 of the 14 wells in its Cuisinier area (PL 303) of the Cooper Basin were producing, and achieved average monthly gross production of 1,936 barrels of oil per day (b/d). Based on the Company's 25% working interest in Cuisinier, net production to Bengal would be 484 b/d, an increase of 55% over the oil volumes reported in the most recent quarter.

Applying the Company's increased working interest in the field of 30.357% (the acquisition of which is expected to close in September 2013, effective March 15, 2013), Bengal's average volumes from Cuisinier in July would be 587 b/d net, a 68% increase over the oil volumes reported in the last quarter. Additional volumes are expected as the remaining 3 wells are brought on-stream through September, 2013.

The Company's growing production base coupled with strong operating netbacks of $79.82 per barrel in the most recent quarter support Bengal's strong cash flow generating trend.

Operational Update

Cuisinier 12, the final well of 6 in the 2013 Cuisinier drilling campaign, has been cased as a future oil producer, and continues Bengal's 100% drilling success rate in this exciting, potential resource play asset. The well encountered 3.8 meters of net oil pay in the Murta DC70 sands, directly offsetting the producing Cuisinier 6 and 7 wells. Completion of the Cuisinier 12 well is expected to commence in early September 2013 with production anticipated shortly thereafter.

Progress continues in Bengal's other key Cooper Basin asset, the Tookoonooka permit (ATP 732), where the Company recently announced a farm-in and joint venture agreement with a very experienced Cooper Basin operator. This farmout consists of a commitment by the partner to drill two wells and acquire 300 square km of 3D seismic, spending up to AUD$11.5 million. Planning for commencement of the drilling and seismic activity on this 654,000 acre permit is under way, and the first drilling location will be positioned to appraise Bengal's existing Caracal light oil discovery as well as deeper targets. It is anticipated the first well and the 3D seismic will be completed before the end of calendar 2013, with the second well to be situated within the boundaries of the new 3D seismic.

"Bengal is very pleased to report further increases to our production and continued progress in the appraisal and development of our Australian assets," said Chayan Chakrabarty, President & CEO of Bengal. "With a growing production base that is light oil weighted, and which generates very strong operating netbacks, Bengal is well positioned to continue growing cash flow and reserves. We look forward to keeping shareholders updated on our progress and success."

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

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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 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: Bengal's estimated oil production volumes after giving effect to the organization of the additional interest in ATP752; the closing of the acquisition of the additional interest in ATP 752; additional production volumes from the 2 remaining Cuisinier wells; Bengal's strategies for and ability to further optimize production at Cuisinier; Bengal's ability to reduce production volatility and netbacks at Cuisinier; the timing to commence completion and tie in work for oil wells recently drilled at Cuisinier and expected production volume additions resulting therefrom; drilling and seismic activities on ATP 732, including, without limitation, the timing to complete the first well and the 3D seismic program; the timing of Bengal providing further guidance regarding year end exit production; and pipeline connectivity resulting in optimized delivery of Bengal's oil to sales points. 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 obtain required safety assessments and rig acceptance; 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 results of seismic activities and related operations; changes in anticipated operating and transportation costs; changes in pipeline accessibility; the ability to access sufficient capital from internal and external sources; failure to obtain or delays in obtaining regulatory approvals; 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". 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 require pursuant to applicable securities laws.*

Netbacks

Netback is a non-IFRS measure. Netback per bbl 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.