



January 2, 2014

Bengal Energy Announces Drilling Results of Tangalooma-1 at Tookoonooka in Australia's Cooper Basin

Calgary, Alberta – Bengal Energy Ltd. (TSX: BNG) ("Bengal" or the "Company") announces that Beach Energy Ltd. ("Beach") has completed drilling operations at Tangalooma-1, the first of two fully funded exploration wells to be drilled in Bengal's Tookoonooka block within Australia's Cooper Basin under the Beach joint venture (the "JV"). The well failed to define a commercial hydrocarbon accumulation and has been plugged and abandoned.

Under the terms of the JV, Beach will fully fund the drilling of two exploration wells, and the acquisition of 300 km² of new 3D seismic in Tookoonooka up to a total maximum value of AUD\$11.5 million. The seismic acquisition is currently ongoing and anticipated to continue through the end of January 2014. Upon completion, a comprehensive interpretation process will be undertaken to identify future drilling locations, including the location for the second well that Beach will drill to fulfill the terms of the JV. Bengal will provide updates on the 3D seismic process as well as the selection of the second drilling location in the second calendar quarter of 2014.

"Bengal remains very optimistic about the potential of our Tookoonooka block, and is pleased to benefit from Beach's extensive experience operating in the Cooper Basin," said Chayan Chakrabarty, President & CEO of Bengal. "Our JV allows us to further advance evaluation at Tookoonooka while minimizing risk and maintaining our balance sheet strength."

About Bengal

Bengal Energy Ltd. (TSX: BNG) is an international oil and gas exploration and production company with producing and prospective light oil-weighted assets in Australia and India. Bengal offers exposure to lower risk current production and cash flow, combined with longer-term high potential impact exploration projects. The Company's strategy is to achieve per share growth in cash flow, production and reserves while establishing an attractive portfolio of future drilling and exploration opportunities.

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: Beach's ongoing seismic acquisition program in the Toookoonooka Block; Beach's intentions to drill a subsequent well in Toookoonooka and Bengal's anticipated announcement of the results of such well and the seismic acquisition process; and identification of drilling locations subsequent to the interpretation of the Toookoonooka seismic data. 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 for the year ended March 31, 2013 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.