PRESS RELEASE

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Bengal Energy Announces First Quarter Fiscal 2015 Results

Calgary, Alberta – Bengal Energy Ltd. (TSX: BNG) ("Bengal" or the "Company") announces its financial and operating results for the first fiscal 2015 quarter ended June 30, 2014.

FISCAL Q1 2015 HIGHLIGHTS:

During the first quarter of the Company's fiscal 2015 year, Bengal continued its development strategy, resulting in the successful drilling of four light oil wells in the Company's Cuisinier asset in the Cooper Basin, Australia. With the positive results coming from the first phase of its calendar 2014 drilling program, the Company has demonstrated its understanding of the play and has positioned itself well moving into Phase Two scheduled for calendar Q4 2014.

Following are highlights of specific operational, financial and corporate developments for the three months ended June 30, 2014:

Q1 Operational Highlights:

- **Cuisinier Phase 1 Drilling Campaign** – As of July 25, 2014 Bengal and its joint venture parties ("JV") had finished completions on the recently drilled Cuisinier wells 13, 14, 15 and 16. Initial production rates, based on swab results, suggest combined production from the four wells to be in the range of 950-1,000 barrels of oil per day ("bopd") gross, or 275-300 bopd net to the Company. These wells are scheduled to come on-line beginning with the Cuisinier 13 well in mid-August and finishing with the Cuisinier 16 well by mid-October 2014. Bengal expects to confirm production rates from the Phase One wells following tie-in as outlined under Production Volumes below. Successful Phase One drilling results have encouraged the operator to expand the 2014 Phase Two drilling program as described below.
- **Cuisinier Phase 2 Drilling Campaign -** Phase Two of the Cuisinier drilling campaign is expected to commence during calendar Q4, 2014; during which, the JV will drill four to five development/appraisal wells at Cuisinier and one exploration well ("Wicho East") in ATP 752P – Barta Block. The JV has benefited from results obtained in the successful Phase One campaign and has used that information to high-grade locations for Phase Two. The Phase Two wells will target further production additions and aim to add reserves by expanding the boundaries of the pool.
- **Production Volumes** – Production in the first quarter averaged 361 barrels of oil equivalent per day ("boepd"), a decrease of 28% from 504 boepd in the previous quarter and a 1% increase over the 356 boepd produced in Q1 2014. The decrease is a function of an increase in water cut at the Cuisinier 6 well, combined with natural production declines. The operator has plans to conduct production logging on the well to determine the exact source of the water and prepare a remediation strategy for the well. These declines will be offset commencing in Q2 as production from Phase One wells is brought on stream. In addition, the operator has proposed a hydraulic stimulation review for certain candidate wells as none of the Cuisinier wells to date have been stimulated prior to being placed on production. Timing and expectations for this program will be forthcoming

- **Koki-1 Exploration Well** Located four kms to the north of Cuisinier, the Koki-1 well drilled in June 2014, failed to define a commercial hydrocarbon accumulation. The Koki-1 Well was a step-out beyond Bengal's currently evaluated Cuisinier Field reserves area and will not have an impact on the Company's 2014 booked reserves. A second Cuisinier exploration location is scheduled to be drilled during Bengal's Phase Two drilling campaign later this year. The second well will target the Hutton formation on an independent structural closure within the Cuisinier North 3D area.

Financial Highlights:

- **Revenues** – Bengal's revenue of approximately $3.9 million in the first quarter was 26% lower than the $5.3 million generated in the preceding quarter due to lower production, but was 5% higher than the $3.7 million generated during first fiscal quarter of 2014.
- **Funds Flow from Operations**[1] – Bengal generated funds flow from operations of $0.9 million in the quarter ended June 30, 2014 a 59% decrease from the $2.2 million generated in the preceding quarter, due to lower production and netbacks and the impact of foreign exchange as the Australian dollar appreciated against the US dollar; this also reflects a 47% decrease over the $1.7 million recorded in the first quarter of fiscal 2014, resulting from the preceding factors as well as increased financing charges. Fluctuations in foreign exchange account for 29% and 21% of the decrease in funds flow from operations compared to the preceding quarter and Q1 2013 respectively.
- **Net Income** – Bengal reported a net loss of $729,000 for the quarter compared to a net loss of $1.8 million in the preceding quarter, and net income of $0.8 million in the first quarter of fiscal 2014.

"First quarter of fiscal 2015 was a mixed period operationally for Bengal," said Chayan Chakrabarty, Bengal's President and CEO. "While we experienced some challenges with an existing Cuisinier well, we are confident that an appropriate solution will be implemented soon, and production will recover. On the other hand, we are very pleased with our accomplishments to date in our ongoing drilling campaign and expect to tie-in an additional 275 – 300 net barrels of high-netback production by mid-October. Bengal continues to make significant progress in its transition to a development company with exciting exploration upside, and I look forward to updating our shareholders about our ongoing developments."

For a discussion of the activities on each of the Company's permits, refer to Bengal's management's discussion and analysis for the first fiscal quarter 2015 ended June 30, 2015 filed on SEDAR at www.sedar.com.

[1] *Funds flow from operations is an additional generally accepted account principle ("GAAP measure"). The comparable International Financial Reporting Standards ("IFRS") measure is cash from operations. A reconciliation of the two measures can be found in the table on page 6 of Bengal's Annual MD&A.*

FINANCIAL & OPERATING HIGHLIGHTS

$000s except per share, volumes and netback amounts	Three Months Ended		
	June 30, 2014	June 30, 2013	% Change
Revenue			
Oil	**$ 3,786**	$ 3,626	4
Natural gas	**89**	65	37
Natural gas liquids	**14**	31	(55)
Total	**$ 3,889**	$ 3,722	5
Royalties	**281**	204	38
% of revenue	**7.2**	5.5	31
Operating & transportation	**1,206**	930	30
Operating netback[(1)]	**2,402**	$ 2,588	(7)
Cash from (used in) operations:	**2,219**	1,249	78
Per share ($) (basic & diluted)	**0.03**	0.02	50
Funds from (used in) operations:[(2)]	**926**	1,732	(47)
Per share ($) (basic & diluted)	**0.01**	0.03	(67)
Net (loss): income	**(729)**	836	(187)
Per share ($) (basic & diluted)	**(0.01)**	0.01	(200)
Capital expenditures	**3,655**	$ 5,435	(33)
Volumes			
Oil (bpd)	**327**	313	5
Natural gas (mcfd)	**194**	240	(19)
Natural gas liquids (boepd)	**2**	3	(33)
Total (boepd @ 6:1)	**361**	356	1
Netback[(1)] ($/boe)			
Revenue	**$ 118.43**	$ 114.83	3
Royalties	**8.56**	6.32	35
Operating & transportation	**36.72**	28.69	28
Total	**$ 73.15**	$ 79.82	(8)

1. Operating netback is a non-IFRS measure. Netback per boe is calculated by dividing the revenue and costs in total for the Company by the total production of the Company measured in boe.
2. Funds from operations is a non-IFRS measure. The comparable IFRS measure is cash from operations. A reconciliation of the two measures can be found in the table on page 5.

Bengal has filed its consolidated financial statements and management's discussion and analysis for the first fiscal 2015 quarter ended June 30, 2014 with Canadian securities regulators. The documents are available on SEDAR at www.sedar.com or by visiting Bengal's website at www.bengalenergy.ca.

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 on our website at www.bengalenergy.ca.

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; results of exploration and testing activities; 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: the commencement of production of the four Phase One development wells, anticipated initial production rates based on swab results, the completion of a Phase Two drilling program by the Company at Cuisinier in 2014 including the timing to drill, tie-in and put on production the up to 5 wells to be drilled and the timing to announce results of such drilling, the timing to drill one exploration well on the Wompi permit, the timing for the Company to interpret seismic and evaluate prospective drilling locations in the Tookoonooka area, the timing for the drilling of up to three exploration wells onshore India, the funding by the Company of its share of the costs of the first phase of drilling at Cuisinier out of ongoing cash flow. 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 regulatory approvals or extensions; failure to satisfy the conditions under farm-in and joint venture agreements; 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". 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.

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.

Certain Defined Terms
boe – *barrels of oil equivalent*
boe/d – *barrels of oil equivalent per day*
bbl – *barrel*
bbl/d – *barrels per day*
mcf – *thousand cubic feet*
mcf/d – *thousand cubic feet per day*

Non-IFRS Measurements
Within this release references are made to terms commonly used in the oil and gas industry. Funds from operations, funds from operations per share and netbacks do not have any standardized meaning under International Financial Reporting Standards (IFRS) and previous generally accepted accounting principles (GAAP) and are referred to as non-IFRS measures. Funds from operations per share is calculated based on the weighted average number of common shares outstanding consistent with the calculation of net income (loss) per share. Netbacks equal total revenue less royalties and operating and transportation expenses calculated on a boe basis. Management utilizes these measures to analyze operating performance. The Company's calculation of the non-IFRS measures included herein may differ from the calculation of similar measures by other issuers. Therefore, the Company's non-IFRS measures may not be comparable to other similar measures used by other issuers. Funds from operations is not intended to represent operating profit for the period nor should it be viewed as an alternative to operating profit, net income, cash flow from operations or other measures of financial performance calculated in accordance with IFRS. Non-IFRS measures should only be used in conjunction with the Company's annual audited and interim financial statements. A reconciliation of these measures can be found in the table on page 5 of Bengal's Q1 fiscal 2014 MD&A.

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