



March 12, 2010

## **Bengal Energy Granted Exploration License on 234,000 acres in India – Company to Begin Exploration Work on Block Immediately**

**Calgary, Alberta – Bengal Energy Ltd. (TSX: BNG)** (“Bengal” or the “Company”) is pleased to announce that the Government of the State of Tamil Nadu has granted a formal Petroleum Exploration License on 234,000 acres in India’s Cauvery Basin to a consortium including Bengal. Bengal has a 30% interest in the onshore block CY-ONN-2005/1 while the operator, GAIL (India) Limited, holds a 40% interest and the Gujarat State Petroleum Corporation holds the remaining 30% interest. The consortium signed a Production Sharing Contract (“PSC”) with the Government of India (“GOI”) in December 2008. Exploration work is expected to begin immediately.

In the first year of the four-year agreement, Bengal and its partners plan to undertake an aggressive exploration campaign consisting initially of 2,300 km of airborne magnetometry and reprocessing 1,700 km of 2D seismic data. Subsequent design and acquisition of a large area 3D seismic program will follow. Exploratory drilling targets have already been identified from a variety of different play types at drilling depths ranging from 500 to 2,000 metres. Two untested basement highlands cover nearly one-third of the block. These highlands are believed prospective for granite wash oil targets, an established play type in the Cauvery Basin. The existing and additional new exploration targets are anticipated to be mature enough for drilling beginning in 2011.

The Indian oil and gas regulatory body, The Directorate General of Hydrocarbons, has reported two new oil discoveries immediately adjacent and northeast of the Cauvery block CY-ONN-2005/1. Such recent discoveries highlight the potential of Bengal’s acreage.

In addition to CY-ONN-2005/1, Bengal was provisionally awarded 340,000 acres on block CY-OSN-2009/1 in the shallow offshore area of the southern Cauvery Basin in October 2009. Bengal expects to execute a PSC with the GOI on this block in the next four weeks, at which time exploration activity is expected to commence. The Cauvery Basin is an active producing basin in the southern part of the east coast of India. The basin covers approximately 250,000 square kilometers and has 28 producing oil and gas fields.

Bengal has quadrupled its undeveloped land base over the past 18 months to more than 2.3 million net acres focused in India and Australia. Through rigorous technical and commercial analysis, Bengal has identified a number of high-impact prospects within its portfolio. The Company has a 60% average working interest and operates 69% of its land base.

“We look forward to working with strong local partners as we apply our technical and operational expertise in India’s proven Cauvery Basin,” said Bradley Johnson, Chief Executive Officer of Bengal.

Details of Bengal’s operating activities and plans are included in an updated corporate presentation posted on the Company’s website at [www.bengalenergy.ca](http://www.bengalenergy.ca).

### ***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](http://www.bengalenergy.ca).

### ***Disclaimers***

This news release contains certain statements which constitute forward-looking statements or information, including the execution of production sharing contracts, granting of petroleum exploration licenses, execution of marketing and transportation contracts, required work commitments, work program capital expenditure requirements and the approximate size and nature of seismically defined features. Although the Company believes the expectations reflected in its forward-looking statements are reasonable, the forward-looking statements have been based on factors and assumptions concerning future events which may prove to be inaccurate. Those factors and assumptions are based upon currently available information. Such statements are subject to known and unknown risks, uncertainties and other factors that could influence actual results or events and cause actual results or events to differ materially from those stated, anticipated or implied in the forward-looking statements. As such, readers are cautioned not to place undue reliance on the forward-looking statements, as no assurance can be provided as to future results, levels of activity or achievements. The Company has provided these forward-looking statements or information in reliance on certain assumptions that it believes are reasonable at this time, including assumptions about the timing and execution of capital plans for CY-ONN-2005/1 where Bengal is not the operator and the timing of the commencement of production from the Cuisinier well. Risks include, but are not limited to: uncertainties and other factors that are beyond the control of the Company, risks associated with the oil and gas industry, commodity prices and exchange rate changes, operational risks associated with exploration, development and production operations, delays or changes in plans, and specific risks associated with the ability to complete the execution of the production sharing contract such as delays in obtaining approvals and ability to meet the work commitments. Additional risks include Bengal's ability to meet the capital expenditures, the estimated size of any seismic features, whether additional geosciences work will progress to defining drillable locations and the possible prospectivity of the Company's acreage. The Company assumes no obligation to update any forward-looking statements or to update the reasons why actual results could differ from those reflected in the forward-looking statements except as required by securities laws. Additional information identifying risks and uncertainties is contained in filings of the Company with Canadian securities regulators, which are available under the Company's profile at [www.sedar.com](http://www.sedar.com).

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