



March 1, 2011

Bengal Energy Ltd. Announces Oil and Natural Gas Resource Evaluation

(Calgary, Alberta) **Bengal Energy Ltd. (TSX: BNG)** ("Bengal" or the "Company") is pleased to announce the results of an independent Resource Evaluation Report (the "Report") pertaining to the lands situated within Authority to Prospect 732P (Tookoonooka Block) ("ATP 732P"), located onshore in the Cooper/Eromanga Basin, Queensland, Australia (the Company is currently awaiting the formal grant of ATP 732P from the Queensland government). The Report was prepared by Ryder Scott Company-Canada ("Ryder Scott"). Ryder Scott is an independent petroleum consulting firm with offices in Houston, Calgary and Denver. The Report was prepared in accordance with the Canadian Oil and Gas Evaluation Handbook ("COGEH") and National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("NI51-101") and has an effective date of February 1, 2011. The ATP 732P Tookoonooka Block is surrounded by existing oil and gas fields, which produce hydrocarbons from analogous zones to those evaluated by Ryder Scott in its Report.

As of the date of this announcement, the Company is awaiting the formal grant of ATP 732P from the Queensland government. Pursuant to a purchase and sale agreement dated December 11, 2009, the Company agreed to acquire a 100% working interest in ATP 732P, subject to the formal grant of the Authority to Prospect by the Queensland government. The Company believes that all the conditions required for the formal grant of ATP 732P have been satisfied, including the entering into of a Native Title Agreement with the Boonthamurra people, and has been advised by the Queensland government that the formal grant of ATP 732P is expected to occur in the near future.

The resource estimates presented in the Report are classified as undiscovered petroleum initially-in-place ("Undiscovered PIIP") and prospective resources. COGEH defines "Undiscovered PIIP" as that quantity of petroleum that is estimated, on a given date, to be contained in accumulations yet to be discovered. For greater clarity, the Report subdivides Undiscovered PIIP into undiscovered oil initially-in-place and undiscovered gas initially-in-place. COGEH defines "prospective resources" as those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development. The Report subdivides prospective resources into prospective oil resources, prospective gas resources and prospective condensate resources. The undiscovered hydrocarbon resource volumes and prospective resource volumes presented in the table below are unrisks. The term "unrisks" means that no geologic risk (chance of discovery) and no commercial risk (chance of development) have been incorporated in the hydrocarbon volume estimates.

It should be clearly understood that the resource prospects evaluated in the Report are high risk exploration plays. No commercial hydrocarbons have been discovered to date on ATP 732P.

The Undiscovered PIIP includes unrecoverable volumes and is not an estimate of the volume of the substances that will ultimately be recovered. In addition, there is no certainty that any portion of the resources discussed herein will be discovered. If discovered, there is no certainty that it will be commercially viable or technically feasible to produce any portion of such resources.

The Report attributes resources to ATP 732P in both the Cretaceous Wyandra and Permian Toolachee sandstones as follows.

Unrisked Estimates of Undiscovered PIIP and Prospective Resources on ATP 732P in the Cooper/Eromanga Basin, Queensland, Australia¹			
	Low	Best	High
Wyandra Sandstone (Cretaceous)			
Undiscovered Oil Initially-in-Place (MMbbls)	60	111	187
Prospective Oil Resources (MMbbls)	13	24	41
Toolachee Sandstones (Permian)			
Undiscovered Gas Initially-in-Place (BCF)	663	1,224	1,879
Prospective Gas Resources (BCF)	496	916	1,415
Undiscovered Condensate Initially-in-Place (MMbbls)	25	80	201
Prospective Condensate Resources (MMbbls)	19	61	151
Toolachee Coals (Permian CBM)			
Undiscovered Gas Initially-in-Place (BCF)	491	923	1,454

Low, best and high estimates are measures of the probability that the disclosed volumes could be exceeded. The low volume estimate is a measure whereby there should be at least a 90 percent probability (P90) that the quantities actually recovered will equal or exceed the low estimate of resources should hydrocarbons be discovered. The best volume estimate is a measure whereby there should be at least a 50 percent probability (P50) that the quantities actually recovered will equal or exceed the best estimate of resources should hydrocarbons be discovered. The high volume estimate is a measure whereby there should be at least a 10 percent probability (P10) that the quantities actually recovered will equal or exceed the high estimate of resources should hydrocarbons be discovered. The total Toolachee reservoir low volume estimate is an arithmetic

¹ Undiscovered unrecoverable volumes are as follows i) Wyandra sandstones undiscovered unrecoverable oil 47, 87, 146 MMbbls for low, best, high respectively. ii) Toolachee sandstones undiscovered unrecoverable gas 167, 308, 464 BCF, for low, best, high respectively. iii) Toolachee sandstones undiscovered unrecoverable condensate 6, 20, 50 MMbbls, for low, best, high respectively.

sum of multiple estimates of low volumes and the Toolachee reservoir high volume estimate is an arithmetic sum of multiple estimates of high volumes, which statistical principles indicate may be misleading as to volumes that may actually be recovered. Readers should give attention to the estimates of individual classes of resources and appreciate the differing probabilities of recovery associated with each class as set forth herein.

It should also be noted that the Toolachee coals beds occur at depths of 1,500-1,800m, which is believed to be near the limit of known currently producing commercial coal bed methane gas ("CBM") projects. Therefore prospective CBM resources have not been assigned by Ryder Scott in the Permian Toolachee Formation.

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.

Analogous Information

In this news release, Bengal has provided certain production information for lands surrounding ATP 732P which is "analogous information" as defined by applicable securities laws. This analogous information is derived from publicly available information sources which the Company believes are predominantly independent in nature. Some of this data may not have been prepared by qualified reserves evaluators or auditors and the preparation of any estimates may not be in strict accordance with Canadian Oil & Gas Evaluation Handbook. Regardless, estimates by engineering and geo-technical practitioners may vary and the differences may be significant. Bengal believes that the provision of this analogous information is relevant to Bengal's activities, given its acreage position and operations (either ongoing or planned) in the area in question, however, readers are cautioned that there is no certainty that any of the development on Bengal's properties will be successful to the extent in which operations on the lands in which the analogous historical production information is derived from were successful, or at all.

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, fluctuations in market valuations of companies, 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 contained herein include, without limitation: estimates of the volumes of undiscovered PIIP, prospective resources and undiscovered unrecoverable PIIP on ATP 732P; and the timing of the formal grant of ATP 732P from the Queensland government. 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 required pursuant to applicable securities laws.

FOR FURTHER INFORMATION PLEASE CONTACT:

Bengal Energy Ltd.

Chayan Chakrabarty, President and CEO

James Mott, Vice President Exploration

(403) 205-2526

Email: investor.relations@bengalenergy.ca

Website: www.bengalenergy.ca