



July 4, 2013

Bengal Energy Announces \$8.0 Million Private Placement to Fund Acquisition of Additional Interest in Cuisinier

Calgary, Alberta – Bengal Energy (TSX: BNG) ("Bengal", or the "Company") is pleased to announce that it will be conducting a non-brokered private placement of 8,000 units ("Units") of the Company at a price of \$1,000 per Unit for aggregate gross proceeds of \$8.0 million (the "Private Placement"). The proceeds from the Private Placement will be used to fund the Company's previously announced exercise of a pre-emptive right to purchase an additional 5.357% interest in the Cuisinier Oil Field and Authority to Prospect ("ATP") 752P (the "Acquisition") in the Cooper-Eromanga Basin in Queensland, Australia,. Upon completion of the Acquisition, the Company's total ownership in Cuisinier will increase to 30.357%, resulting in Bengal's net production participation increasing by more than 20%.

Each Unit will consist of \$1,000 principal amount of 10% unsecured non-convertible redeemable notes ("Notes") and either: (i) 156.25 common share purchase warrants ("Warrants"), in the case of subscriptions by non-insiders, or (ii) 156.25 value appreciation rights ("VARs"), in the case of subscriptions by insiders. The Notes bear interest at a rate of 10% per annum, payable quarterly, and have a term of 36 months. Following the first anniversary of the closing date (the "Closing Date") of the Private Placement, the Company shall be required to make quarterly repayments of the outstanding principal of Notes in an amount equal to 6.25% of the principal amount of Notes outstanding on the last day of each applicable quarter. Each whole Warrant entitles the holder thereof, for a period of 36 months following the Closing Date, to acquire one common share (a "Common Share") in the capital of the Company at a purchase price equal to \$0.75 per Common Share. Each whole VAR entitles the holder thereof, for a period of 36 months following the Closing Date, to exercise the VAR and thereby receive a cash payment equal to the difference between the market price of one Common Share on the exercise date and \$0.75. Certain insiders of the Company are expected to purchase 3,500 Units under the Private Placement, representing over 40% of the Notes. The Private Placement is anticipated to close on or around July 5, 2013.

"We are very pleased to increase our ownership in Cuisinier, a key light oil, high netback producing property," said Chayan Chakrabarty, Bengal's President & CEO. "Our strong balance sheet enabled us to finance the Acquisition quickly, positioning us to benefit from a larger proportion of the production and resultant cash flows, as well as gaining greater exposure to the future upside we believe is inherent in Cuisinier."

This press release does not constitute an offer of the Notes, Warrants (or the Common Shares issuable on the exercise thereof) or the VARs (collectively, the "Securities") for sale in the United States or in any jurisdiction in which such offer or sale would be unlawful. The Securities have not been registered under the United States *Securities Act of 1933*, as amended, and may not be offered or sold within the United States absent registration or an exemption from registration under that Act.



All Securities issued in connection with the Private Placement will be subject to a statutory hold period of four months plus one day from the Closing Date in accordance with applicable securities law.

FOR FURTHER INFORMATION PLEASE CONTACT:

Bengal Energy Ltd.
Chayan Chakrabarty, President and CEO
Bryan Goudie, CFO
(403) 205-2526

Email: investor.relations@bengalenergy.ca

Website: 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.

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 forward-looking 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, without limitation, 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: the use of proceeds from the Private Placement; the closing of the Private Placement; the number of Units to be subscribed for by insiders and non-insiders; the terms of the Securities and receipt of regulatory approvals in respect of the Private Placement; completion of the Acquisition; and the benefits of the Acquisition. 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 ability to access sufficient capital from internal and external sources; failure to obtain or delays in obtaining regulatory approvals; delays or changes in planned operations; operational risks associated with exploration, development and production; the results of geological, geophysical and reservoir analysis; results of drilling and seismic activities; results of due diligence investigations; 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 required pursuant to applicable securities laws.