



September 15, 2008

Bengal Energy Provides Business Update Including Progress in Award of Large Block in India

Calgary, Alberta – Bengal Energy Ltd. (TSX: BNG) (“Bengal” or the “Company”) today provided an update regarding its activities in India, Australia and Canada.

India’s Directorate General of Hydrocarbons has recommended to the Indian government the official award of block CY-ONN-2005/1 (the “Block”) in the Cauvery Basin to Bengal and its partners. The official award of the Block is expected shortly and the formal government signing ceremony is expected to take place by the end of November. The Block is a 233,761 acre land block located in a Category 1 proven producing basin in southeast India. Bengal has a 30% interest in the Block and the operator of the Block, GAIL (India) Limited (“GAIL”), holds a 40% interest. Gujarat State Petroleum Corporation (“GSPC”) holds the remaining 30% interest.

“The award of the Cauvery block in India is very important to Bengal because of its large potential resources, which are over four times all of Bengal’s other resources combined, and also because of the strong local partners that we will work with in its exploration and development,” said Bradley Johnson, Chief Executive Officer of Bengal. “GAIL and GPSC have significant oil and gas interests in India and other countries including China, Egypt, Oman, Yemen and Australia. We believe we can add value for them not only in the Block but also in their other operations by applying our strong technical and operational experience and our access to Canadian practices and technologies.”

In Australia, the first well in the Santos operated Joint Venture, located on the 631,093 acre Barta Block, has been perforated and flow tested. The well will be completed with a beam pumping unit and will be tied into Santos’s Cook oilfield battery, approximately 6 kilometers to the west. Oil flowed to surface from a 9 meter perforated interval in the Murta sandstone. Early estimates suggest that the well will be capable of producing between 200 and 250 barrels of light sweet oil per day. Production is expected to be online in Q1 2009 after construction of the pipeline and completion of processing agreements. The partners believe there are a number of follow-up drilling opportunities and are proposing a 150 to 170 square kilometer 3D seismic program to further define and delineate the size and extent of the reservoir. Bengal has earned a 17.5% interest in the Barta Block and has the option to increase its interest to 25% by electing to fund 55% of the next well. In the 236,700 acre Wompi Block, in which Bengal has already earned a 30% working interest, Santos is funding a 200 square kilometer 3D seismic survey and expects to fund the drilling of three wells in 2009.

With regard to Bengal’s 10% interest in the Katandra and Marshall-Withers prospects located offshore Australia in the Timor Sea Vulcan Sub-Basin, Bengal and its partners are awaiting government approval to proceed with the reprocessing of data from the Schwarzer 3D seismic survey, completed in the third quarter of 2007, in preparation for determining a follow-up drill location.

In Canada, Bengal has drilled and cased a new appraisal well for Baldonnel gas (42% working interest) at its property in northern British Columbia. The well is planned to be tied in over the next 30 days.

Bengal continues to evaluate joint venture, farm-in and acquisition opportunities to enhance its international exploration and development portfolio.

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.

Disclaimers

Except for statements of historical fact, all statements in this press release, without limitation, regarding new projects, acquisitions, and future plans and objectives are forward-looking statements which involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate; actual results and future events could differ materially from those anticipated in such statements.

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