



June 9, 2010

## **Bengal Energy Announces Results for the Year Ended March 31, 2010 – Company compiles inventory of long-term prospects on operated acreage**

**Calgary, Alberta – Bengal Energy Ltd. (TSX: BNG)** (“Bengal” or the “Company”) today announced its financial and operating results for the year ended March 31, 2010.

Bengal moved aggressively in fiscal 2010 to establish a platform for significant international growth. Within the past two years, the Company has now increased its undeveloped land position by 250% to 2.3 million net acres, 87% of which is operated by Bengal.

Recent highlights:

- Through rigorous geotechnical work and international expertise, Bengal has been awarded or acquired four large exploration blocks over the past 18 months:
  - Awarded a 340,000-acre offshore block (100% working interest) in India's Cauvery Basin (CY-OSN 2009/1)
  - Awarded a 861,000-acre block (100% working interest) in the Timor Sea, offshore Australia (AC/P 47)
  - Awarded a 234,000-acre onshore (30% working interest) block in India (CY-ONN-2005/1)
  - Acquired a 100% working interest in 654,000 acres at ATP 732P in Australia's Cooper Basin. The acquisition is subject to the grant of an Authority to Prospect (ATP) by the government of the state of Queensland in Australia.
  
- Announced on June 8, 2010 that production had commenced from Bengal's Cuisinier-1 oil discovery in Australia's onshore Cooper Basin at ATP 752P. The well, part of a staged farm-in agreement, is currently producing at a rate of 340 barrels per day of 52 degree API oil. Bengal's interest in the well is 14.26%. Bengal's interest in the permit will increase to 25% after contributing 55% of the cost to drill the next earning well on the permit. Bengal will then be fully carried on up to two additional exploration wells.
  
- Raised \$2.1 million in September 2009 through the disposition of relatively small, non-operated producing assets in the Kaybob region of Alberta. The Kaybob assets produced 54 barrels of oil equivalent (boe) per day over the six months prior to the disposition and consisted of less than a net section of land, allowing Bengal to direct its resources to higher impact prospects in Australia and India.
  
- Announced an assessment in April 2009 of gross prospective oil resources on the Company's newly awarded exploration permit in the Timor Sea at AC/P 47. DeGolyer and MacNaughton, a worldwide petroleum engineering and consulting firm, determined that a best estimate (P50) of the unrisks gross prospective oil resources attributable to one prospect identified in the permit is 590.4 million barrels of recoverable oil.

## Financial and Operating Highlights

\$000s except per share, volumes and netback amounts	Three Months Ended			Twelve Months Ended	
	03/31/10	03/31/09	12/31/09	03/31/10	03/31/09
Revenue					
Natural gas	\$ 206	\$ 357	\$ 186	\$ 830	\$ 2,110
Natural gas liquids	22	62	19	163	473
Oil	52	248	208	779	2,343
Total	280	667	413	1,772	4,926
Royalties	39	143	53	231	882
% of revenue	13.9	21.4	12.7	13.0	17.9
Operating & transportation	116	283	164	756	1,145
Netback <sup>(1)</sup>	125	241	196	785	2,899
Cash flow from (used in) operations:	(493)	(85)	(264)	(1,650)	1,773
Per share (\$) (basic & diluted)	(0.03)	(0.00)	(0.01)	(0.09)	0.10
Funds from (used in) operations <sup>(2)</sup> :	(626)	(92)	(347)	(1,566)	1,105
Per share (\$) (basic & diluted)	(0.03)	(0.01)	(0.02)	(0.08)	0.06
Net (loss):	(1,396)	(839)	(885)	(4,991)	(8,198)
Per share (\$) (basic & diluted)	(0.08)	(0.05)	(0.05)	(0.27)	(0.45)
Capital expenditures	\$ 553	\$ 254	\$ 1,120	\$ 1,401	\$ 6,724
Property disposition proceeds	\$ –	\$ –	\$ –	\$ 2,111	\$ –
Volumes					
Natural gas (mcf/d)	377	712	422	568	724
Natural gas liquids (boe/d)	5	19	6	11	19
Oil (bbl/d)	7	44	24	28	58
Total (boe/d @ 6:1)	75	182	100	134	198
Netback <sup>(1)</sup> (\$/boe)					
Revenue	\$ 41.65	\$ 40.81	\$ 44.89	\$ 36.44	\$ 68.20
Royalties	5.79	8.72	5.69	4.74	12.21
Operating & transportation	17.19	17.23	17.81	15.53	15.84
Total	\$ 18.67	\$ 14.86	\$ 21.39	\$ 16.17	\$ 40.15

<sup>(1)</sup> Netback is a non-GAAP 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.

<sup>(2)</sup> Funds from operations is a non-GAAP measure. The comparable GAAP measure is cash flow from operations. A reconciliation of the two measures can be found in Bengal's fiscal 2010 Management's Discussion and Analysis.

Bengal's Annual Management's Discussion and Analysis and Annual Consolidated Financial Statements can be viewed at [www.bengalenergy.ca](http://www.bengalenergy.ca) or [www.sedar.com](http://www.sedar.com).

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

### 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 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 and fluctuations in market valuations of companies with respect to announced transactions and the final valuations thereof, 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, including the amount of proceeds, that Bengal will derive therefrom. Bengal's actual financial results, performance or achievement in future periods could differ materially from those expressed in, or implied by, these forward-looking statements, including those material risks discussed in Bengal's Annual Information Form under "Risk Factors and in Bengal's MD&A under "Risk Factors". The forward-looking statements contained in the documents incorporated by reference herein are expressly qualified by this cautionary statement: The forward-looking statements contained in this release speak only as of the date of this release 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.

#### **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.

#### **Non-GAAP Measures**

Netback and funds from operations are non-GAAP measures. 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. Management considers netback to be an important measure as it demonstrates profitability on a unit of production basis. Funds from operations is calculated as cash flow from operations before deducting changes in non-cash working capital. Management believes funds from operations is a useful supplemental measure as it demonstrates the ability to generate cash necessary to repay debt or fund growth through capital investment before changes in non-cash working capital balances. Investors are cautioned that funds from operations should not be construed as an alternative to cash flow from operations determined in accordance with GAAP.

#### **Resources Terminology**

Gross Prospective Resources are those quantities of petroleum that are estimated, as of March 31, 2009, 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. There is no certainty that any portion of the prospective resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the prospective resources.

The Best (Median) Estimate is considered to be the best estimate of the quantity that will actually be recovered. This term reflects a P50 confidence level where the successful discovery will have a 50% chance of being more than this resource estimate.

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