



February 14, 2012

## Bengal Energy Announces Fiscal Q3 2012 Results

Calgary, Alberta – Bengal Energy Ltd. (TSX: BNG) (“Bengal” or the “Company”) today announced its financial and operating results for the quarter ended December 31, 2011.

### Q3 2012 FISCAL HIGHLIGHTS:

- Averaged overall production of 157 boe/d for the quarter, an increase of 21% over 130 boe/d in the previous quarter and 67% higher than the 94 boe/d reported in the corresponding period of the previous year. This was due to increased production from Bengal’s Cuisinier wells in the Cooper Basin of Australia, of which Cuisinier 2 and 3 began producing in the quarter ended September 30, 2011.
- Reported revenue of \$1.3 million for the quarter, a 31% increase over the prior quarter and a 209% increase over the comparable period of the prior year;
- Achieved a netback of \$49.89/boe, an increase of 120% over the prior year comparable period; and
- Entered the fourth fiscal quarter of 2012 with \$29.1 million cash, working capital of \$28.8 million and no net debt.
- The Cuisinier 1 well has been operating through an Extended Production Test (EPT) as required under the framework of an ATP, and with the timeframe of the current EPT set to expire on December 17, 2011, an extension was applied for on December 9, 2011 by the operating company to the Queensland Regulator, DEEDI (Department of Employment, Economic Development and Innovation). On January 13, 2012, DEEDI advised the Operating Company that the application to extend the EPT was being reviewed, but directed that the Cuisinier 1 well be shut-in temporarily until the extension was approved or a Cuisinier Production License (PL) granted. The original PL application and accompanying Initial Development Plan were submitted to DEEDI by the operating company in October 2009. Subsequent negotiations followed with DEEDI as to the areal extent of the application area, and as a result, a revised PL was submitted on January 10, 2012. The current net impact to Bengal of the shut-in Cuisinier 1 production is 70 bopd.
- For a complete discussion of the current activities on each of the Company’s permits, refer to management’s discussion and analysis for the three months ended December 31, 2011 filed on [www.sedar.com](http://www.sedar.com).

### Financial and Operating Summary

\$000s except per share, volumes and netback amounts	Three Months Ended			Nine Months Ended	
	12/31/11	12/31/10	09/30/11	12/31/11	12/31/10
Revenue					
Natural gas	\$ 92	\$ 112	\$ 67	\$ 250	\$ 364
Natural gas liquids	23	12	13	53	49
Oil	1,213	306	937	3,361	749
Total	1,328	430	1,017	3,664	1,162
Royalties	121	46	95	337	114
% of revenue	9.1	10.7	9.3	9.2	9.8
Operating & transportation	486	189	316	1,324	588
Netback <sup>(1)</sup>	721	195	606	2,003	460
Cash flow from (used in) operations:	(417)	(556)	159	(1,628)	(1,586)
Per share (\$) (basic & diluted)	(0.01)	(0.02)	0.00	(0.03)	(0.07)
Funds from (used in) operations: <sup>(2)</sup>	(206)	(683)	(430)	(628)	(1,701)
Per share (\$) (basic & diluted)	0.00	(0.02)	(0.01)	(0.01)	(0.05)
Net (loss):	(477)	(1,094)	(4,247)	(5,785)	(2,466)
Per share (\$) (basic & diluted)	(0.01)	(0.04)	(0.08)	(0.11)	(0.08)
Capital expenditures	\$ 4,327	\$ 1,797	\$ 2,407	\$ 8,667	\$ 2,064

Volumes					
Natural gas (mcf/d)	271	327	196	238	356
Natural gas liquids (boe/d)	4	3	3	3	4
Oil (bbl/d)	108	36	94	103	33
Total (boe/d @ 6:1)	157	94	130	146	96
Netback <sup>(1)</sup> (\$/boe)					
Revenue	\$ 92.03	\$ 49.93	\$ 86.21	\$ 91.50	\$ 44.00
Royalties	8.43	5.25	8.01	8.42	4.31
Operating & transportation	33.71	21.99	26.78	33.07	22.27
Total	\$ 49.89	\$ 22.69	\$ 51.42	\$ 50.01	\$ 17.42

(1) Netback is a non-GAAP measure. Netback per boe is calculated by dividing the revenue less royalties, operating and transportation costs in total for the Company by the total production of the Company measured in boe.

(2) Funds from operations is a non-GAAP measure. The comparable IFRS measure is cash flow from operations. A reconciliation of the two measures can be found in the table on page 5 of Bengal's fiscal Q3 2012 Management's Discussion and Analysis.

Bengal has filed its consolidated interim financial statements and management's discussion and analysis for the three months ended December 31, 2011 with Canadian securities regulators. The documents are available on SEDAR at [www.sedar.com](http://www.sedar.com) or by visiting Bengal'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 with assets in Australia and India. 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).

### **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. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

### **Certain Defined Terms**

**boe** – barrels of oil equivalent

**bbl** – barrel

**bbl/d** – barrels per day

**mcf** – thousand cubic feet

**mcf/d** – thousand cubic feet per day

### **Non-IFRS Measurements**

Within this release references are made to terms commonly used in the oil and gas industry. Funds from operations, funds from operations per share and netbacks do not have any standardized meaning under International Financial Reporting Standards (IFRS) and previous generally accepted accounting principles (GAAP) and are referred to as non-IFRS measures. Funds from operations per share is calculated based on the weighted average number of common shares outstanding consistent with the calculation of net income (loss) per share. Netbacks equal total revenue less royalties and operating and transportation expenses calculated on a boe basis. Management utilizes these measures to analyze operating performance. The Company's calculation of the non-IFRS measures included herein may differ from the calculation of similar measures by other issuers. Therefore, the Company's non-IFRS measures may not be comparable to other similar measures used by other issuers. Funds from operations is not intended to represent operating profit for the period nor should it be viewed as an alternative to operating profit, net income, cash flow from operations or other measures of financial performance calculated in accordance with IFRS. Non-IFRS measures should only be used in conjunction with the Company's annual audited and interim financial statements.

### **FOR FURTHER INFORMATION PLEASE CONTACT:**

Bengal Energy Ltd.

Chayan Chakrabarty, President and CEO

Bryan Goudie, Chief Financial Officer

(403) 205-2526

Email: [investor.relations@bengalenergy.ca](mailto:investor.relations@bengalenergy.ca)

Website: [www.bengalenergy.ca](http://www.bengalenergy.ca)