



February 11, 2011

## Bengal Energy Announces Fiscal Q3 2011 Results

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

### Recent Highlights

- Bengal improved its access to capital and better positioned itself for accelerated growth in India and Australia through the completion of a fully subscribed \$12 million financing at \$1.00 per share in September 2010 and a fully subscribed \$9 million bought-deal financing at \$1.20 per share in January 2011.
- Promotion of Mr. Chayan Chakrabarty from his role as President of Bengal for the last three years to President and Chief Executive Officer on November 26, 2010. Mr. Chakrabarty is former Vice President, International, with Daylight Resources Trust and held senior roles with Verenex Energy Inc., Ross Smith Energy Group and Golder Associates Ltd.
- On February 4, 2011, announced that Mr. Peter Gaffney had joined Bengal’s Board of Directors effective immediately. Mr. Gaffney, a chartered engineer and geologist, is an independent adviser to the international oil and gas industry. He was a founding partner of Gaffney, Cline and Associates, an international petroleum management and technical advisory firm, having direct involvement with the firm until it was acquired in 2008.

### HIGHLIGHTS

\$000s except per share, volumes and netback amounts	Three Months Ended		
	12/31/10	12/31/09	09/30/10
Revenue			
Natural gas	\$ 112	\$ 186	\$ 127
Natural gas liquids	12	19	16
Oil	306	208	240
Total	430	413	383
Royalties	46	53	40
% of revenue	10.5	12.7	10.5
Operating & transportation	189	164	220
Netback <sup>(1)</sup>	195	196	123
Cash flow from (used in) operations:	(556)	(264)	(460)
Per share (\$) (basic & diluted)	(0.02)	(0.01)	(0.02)
Funds from (used in) operations: <sup>(2)</sup>	(683)	(347)	(472)
Per share (\$) (basic & diluted)	(0.02)	(0.02)	(0.02)
Net (loss):	(1,031)	(885)	(684)
Per share (\$) (basic & diluted)	(0.03)	(0.05)	(0.04)
Capital expenditures	\$ 1,797	\$ 1,120	\$ 174
Volumes			
Natural gas (mcf/d)	327	422	366
Natural gas liquids (boe/d)	3	6	5
Oil (bbl/d)	36	24	36
Total (boe/d @ 6:1)	94	100	102
Netback <sup>(1)</sup> (\$/boe)			
Revenue	\$ 49.93	\$ 44.89	\$ 41.59
Royalties	5.25	5.69	4.38
Operating & transportation	21.99	17.81	23.88
Total	\$ 22.69	\$ 21.39	\$ 13.33

- (1) 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 boes. See “Non-GAAP Measurements” below.
- (2) Funds from operations is a non-GAAP measure. The comparable GAAP measure is cashflow from operations. A reconciliation of the two measures can be found in the table on page 2 of Bengal’s MD&A for fiscal Q3 2011, filed on SEDAR at [www.sedar.com](http://www.sedar.com) and available on Bengal’s website at [www.bengalenergy.ca](http://www.bengalenergy.ca).

## **Outlook**

Bengal’s positive drilling results mark a successful start to the Company’s drilling program for the 2.2 million net acres of exploration lands Bengal has acquired in India and Australia over the past three years. The Company’s 89%-operated acreage offers a balance of relatively low-risk development drilling in Australia’s onshore Cooper Basin to high-impact offshore drilling opportunities in the Australian Timor Sea and in India’s Cauvery Basin. These drilling opportunities are expected to provide Bengal with a near-term path to material production growth, positive cash flow and transformational exploration discoveries.

Bengal’s consolidated interim financial statements and management’s discussion and analysis for the three and nine months ended December 31, 2010 have been filed with Canadian securities regulators and 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, India and Canada. 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).

## **Disclaimers**

*This news release contains certain statements which constitute forward-looking statements or information, including statements with respect to future drilling operations, production growth and cashflow. Although the Company believes the expectations reflected in its forward-looking statements are reasonable, the forward-looking statements have been based on factors and assumptions concerning future events which may prove to be inaccurate. Those factors and assumptions are based upon currently available information. Such statements are subject to known and unknown risks, uncertainties and other factors that could influence actual results or events and cause actual results or events to differ materially from those stated, anticipated or implied in the forward-looking statements. As such, readers are cautioned not to place undue reliance on the forward-looking statements, as no assurance can be provided as to future results, levels of activity or achievements. The Company has provided these forward-looking statements or information in reliance on certain assumptions that it believes are reasonable at this time, including assumptions that Bengal has positioned itself for future growth. Risks include, but are not limited to: uncertainties and other factors that are beyond the control of the Company, global economic conditions, risks associated with the oil and gas industry, commodity prices and exchange rate changes, operational risks associated with exploration, development and production operations, delays or changes in plans, and specific risks associated with the ability to execute production sharing contracts, ability to meet work commitments, ability to meet the capital expenditures, estimated size of any seismic features and whether additional geosciences work will progress to defining drillable locations. The Company assumes no obligation to update any forward-looking statements or to update the reasons why actual results could differ from those reflected in the forward-looking statements except as required by securities laws. Additional information identifying risks and uncertainties is contained in filings of the Company with Canadian securities regulators, which are available under the Company’s profile at [www.sedar.com](http://www.sedar.com).*

**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 (used in) 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.

**Barrels of oil equivalent** - When converting natural gas to barrels of oil equivalent (boe), Bengal uses the widely recognized standard of 6 thousand cubic feet (Mcf) of natural gas to one barrel of oil (bbl). Bengal cautions that boes 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.

**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)***