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January 25, 2013

Bengal Energy Announces Closing of its Previously Announced \$3.5 Million Private Placement of Convertible and Non-Convertible Notes

Calgary, Alberta – Bengal Energy (TSX: BNG) ("Bengal", or the "Company") is pleased to announce that it has closed its previously announced non-brokered private placement (the "Private Placement") of \$3.5 million of short-term, convertible and non-convertible notes. Members of the Board of Directors of the Company subscribed for approximately 85% of the principal amount of the notes issued pursuant to the Private Placement. The net proceeds of the Private Placement will be used to help fund the Company's capital program and for general corporate purposes.

William (Bill) Wheeler, a director of the Company, also announces that he, indirectly through Texada Capital Management Ltd. ("Texada"), a private company controlled by him, acquired \$1,000,000 principal amount of short-term convertible notes (the "Convertible Notes") issued pursuant to the Private Placement (representing approximately 57% of the principal amount of the Convertible Notes issued by the Company). Mr. Wheeler beneficially owns, directly and indirectly, 4,732,370 common shares ("Common Shares") in the capital of Bengal (representing approximately 9.08% of the currently outstanding Common Shares), which includes Common Shares held by Texada. Following the Private Placement, and assuming the full conversion of the Convertible Notes held by Texada (and using the lowest conversion price permitted under the rules of the Toronto Stock Exchange so as to not require shareholder approval on the conversion of some or all of the outstanding Convertible Notes), Mr. Wheeler has deemed beneficial ownership or control, directly or indirectly, of 14.7% of the outstanding Common Shares). Mr. Wheeler, through Texada, acquired the Convertible Notes for investment purposes. The purchase price for the Convertible Notes was \$1,000 per \$1,000 principal amount. A copy of the early warning report filed on SEDAR at www.SEDAR.com with respect to the acquisition of the Convertible Notes by Texada can be obtained from the offices of Bengal Energy Ltd at Suite 1810, 801 – 6th Ave SW, Calgary, Alberta T2P 3W2.

This press release does not constitute an offer of the Convertible Notes (or the Common Shares issuable on conversion of the Convertible Notes) or non-convertible notes for sale in the United States or in any jurisdiction in which such offer or sale would be unlawful. The Convertible Notes, Non-Convertible Notes and the Common Shares issuable on conversion of the Convertible Notes 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.

FOR FURTHER INFORMATION PLEASE CONTACT:

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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.

Forward-Looking Statements

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 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 assumptions relating to: the impact of economic conditions in North America, Australia, India and globally; industry conditions; changes in 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; results of programs, testing operations and data analysis; 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 of the Private Placement; and the holdings of Mr. Wheeler. 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: failure to obtain required regulatory approval; changes in general global economic conditions including, without limitations, the economic conditions in North America, Australia and India; increased competition; industry conditions; the availability of qualified operating or management personnel; fluctuations in commodity prices, foreign exchange or interest rates; changes in laws and regulations and changes in how they are interpreted and enforced; the results of exploration and development activities; the performance of current and future wells; risks associated with the oil and gas industry; operational risks associated with exploration, development and production operations; delays or changes in plans; specific risks associated with the ability to execute production sharing contracts, ability to meet work commitments, ability to meet capital expenditure requirements; 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.