



May 23, 2013

Bengal Energy to Form Strategic Joint Venture with Beach Energy Ltd. for Cooper Basin Exploration and Development Program

*Beach to fund 100% of an AUD\$11.5 million drilling and 3D seismic
program to earn 50%*

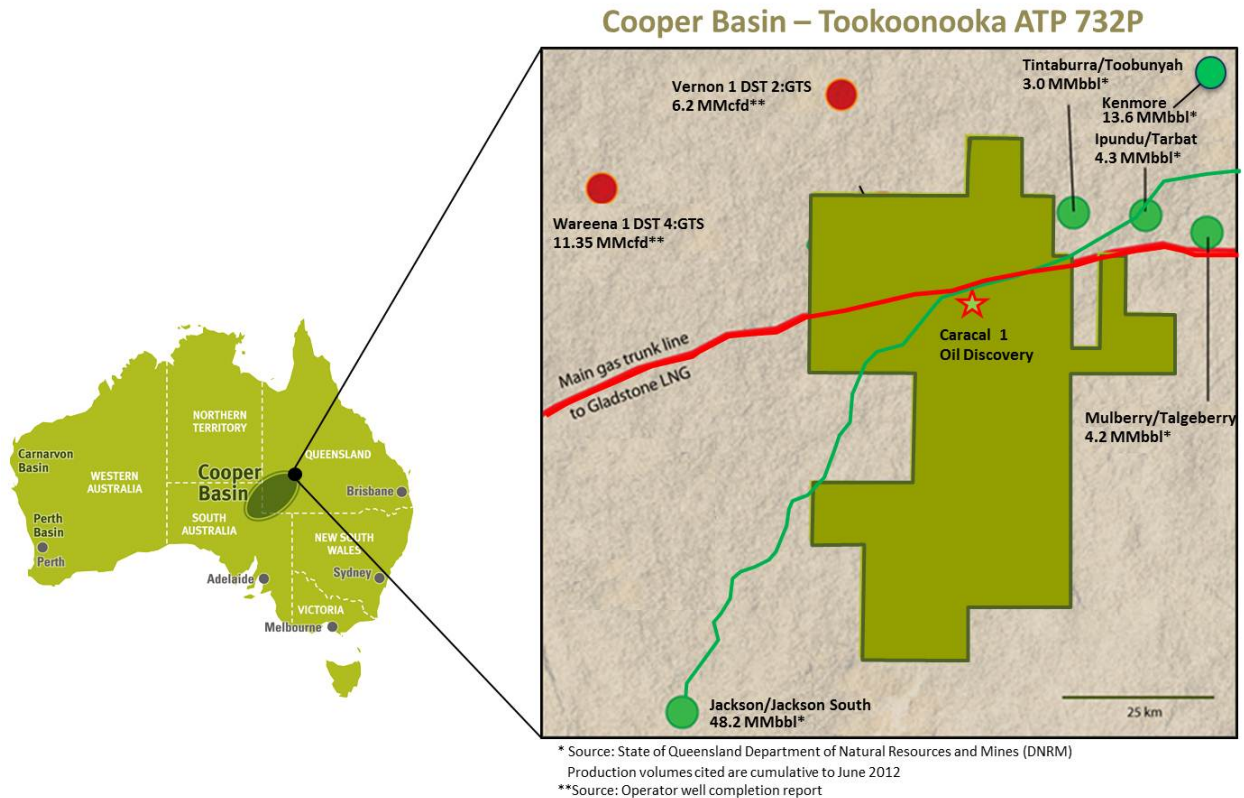
Calgary, Alberta – Bengal Energy (TSX: BNG) ("Bengal", or the "Company") is pleased to announce that it has agreed to form a strategic joint venture (the "JV") for the exploration and development of its 100% owned Tookoonooka Block ("ATP 732") in the Cooper Basin of Australia with Beach Energy Ltd. ("Beach"), an Australian energy company (ASX: BPT).

Highlights:

- Beach will fund Bengal's share of a two well drilling and 3D seismic exploration and appraisal work program (the "Work Program") to a maximum of AUD\$11.5 million, in order to acquire a 50% interest in ATP 732;
- Bengal will have the benefit of Beach's extensive exploration, appraisal and development capability while maintaining a 50% interest in this large permit;
- Through the JV, Bengal is working with a major operator in the Cooper Basin with current programs in oil and unconventional gas exploration. This provides an excellent platform for future exploration success and commercialization for ATP 732;
- The JV demonstrates a continuation of Bengal's overall strategy in the Cooper Basin: directing cash flow generated from Cuisinier oil production to support its ongoing field development, while simultaneously delivering a focused exploration and appraisal plan for conventional and unconventional projects in ATP 732.

"This JV is a significant milestone for Bengal and validates the work we have done in ATP 732 to date," said Chayan Chakrabarty, Bengal's President & CEO. "Working with Beach, a leader in Cooper Basin oil and gas exploration, development and production, will allow us to accelerate exploration and appraisal work in ATP 732 while preserving balance sheet strength, and continuing to execute on our overall Cooper Basin strategy."

Bengal's strategically located ATP 732 tenement covers over 2,600 km² (654,000 acres) of the east flank Cooper Basin oil & gas fairway, and contains the Caracal-1 well, which has been cased as a potential future oil producer. ATP 732 is attractively situated with significant oil and natural gas production and infrastructure surrounding it, as indicated on the following map:



The Work Program will involve two exploration/appraisal wells (at locations yet to be finalized but the first well is expected to be in the vicinity of Caracal-1), as well as a 300 km² 3D seismic program across prospective adjoining areas of the permit. The Work Program is expected to be completed within 12-18 months. Bengal will retain operatorship through to the completion of the Work Program. Beach will manage the Work Program on behalf of Bengal and upon completion will have the right to become operator of the JV.

“This transaction continues Beach’s focus on building its footprint in the Cooper Basin where the majority of the Company’s production is derived. It also provides the opportunity for Beach to apply its highly successful Cooper Basin oil exploration and operational experience to the Tookoonooka area. We look forward to working with Bengal to further unlock the potential of this underexplored area of the Cooper Basin” said Beach’s Managing Director Mr. Reg Nelson.

Commencement of the JV is subject to certain conditions which are customary for this type of transaction, including, without limitation, regulatory approval, legal due diligence and finalizing a definitive farm-in agreement and joint operating agreement. Bengal and Beach anticipate finalizing such agreements prior to July 31, 2013.



FOR FURTHER INFORMATION PLEASE CONTACT:

Bengal Energy Ltd.
Chayan Chakrabarty, President and CEO
Bryan Goudie, CFO
(403) 205-2526

Email: investor.relations@bengalenergy.ca

Website: www.bengalenergy.ca

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, without limitation, assumptions relating to: the impact of economic conditions in North America, Australia, India and globally; industry conditions; changes in laws and regulations including, without limitation, the adoption of new environmental 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 and fluctuations in market valuations of companies with respect to announced transactions and the final valuations thereof; 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 terms of the JV and the Work Program; Bengal's access to Beach's exploration, appraisal and development capability; the benefits of the JV; the timing of the final farm-in agreement and joint operating agreement; and receipt of regulatory approvals. 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: the failure to obtain required safety assessments and rig acceptance; failure to secure required equipment and personnel; changes in general global economic conditions including, without limitations, the economic conditions in North America, Australia, India; increased competition; the availability of qualified operating or management personnel; fluctuations in commodity prices, foreign exchange or interest rates; changes in laws and regulations including, without limitation, the adoption of new environmental and tax laws and regulations and changes in how they are interpreted and enforced; the results of exploration and development drilling and related activities; the ability to access sufficient capital from internal and external sources; failure to obtain or delays in obtaining regulatory



approvals; delays or changes in planned operations; operational risks associated with exploration, development and production; a failure to finalize the farm-in agreement and joint operating agreement for the JV; the results of geological, geophysical and reservoir analysis; results of drilling and seismic activities; results of due diligence investigations; 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.