



June 30, 2010

Bengal Energy Signs Production Sharing Contract in India

Calgary, Alberta – Bengal Energy Ltd. (TSX: BNG) (“Bengal” or the “Company”) is pleased to announce that its wholly owned subsidiary, Bengal Energy International Inc. (“BEII”), received the official award of India Block CY-OSN-2009/1 (the “Block”) today at a formal signing ceremony with the Government of India (“GOI”). The Block had been provisionally awarded during the New Exploration Licensing Policy (“NELP”) VIII bid round in the fall of 2009. The Production Sharing Contract (“PSC”) between BEII and the GOI sets out the terms and conditions for the exploration and development of the Block. It is situated in the Cauvery Basin in SE India and encompasses 1,362 square kilometers (approximately 340,000 acres). BEII holds a 100% interest in the Block and is the operator. The Block is located from seven to 16 kilometers offshore with approximately two-thirds in water depths of less than 100 meters.

The Company has already identified a large seismically-defined geological structure within the Block from a detailed technical review of existing 2D seismic data. The areal extent of the structure is approximately 18,750 acres. The Company plans to acquire and evaluate 3D seismic data over the structure to better define the opportunity and develop a follow-up drilling program. Oil companies within 50 kilometers of the Block have committed to spend in excess of \$200 million on exploration over the next four years. The Cauvery Basin is an active producing basin covering an area of around 250,000 square kilometers and currently has 28 producing oil and gas fields.

The winning bid requires BEII to acquire 310 kilometers of 2D seismic data and 81 square kilometers of 3D seismic data during the first four years of the seven-year exploration phase of the Block. The committed work program capital expenditure is estimated at US\$2 million (approximately \$6/acre). Drilling will be required to hold the Block after the first four years of exploration is complete. There is a seven-year tax holiday from the start of commercial production.

With 16% of the global population, India is the fourth largest consumer of primary energy and the fourth largest economy in the world. With its per-capita energy usage at only 10% of the average consumption of the world’s three biggest energy users, India’s energy appetite is projected to demonstrate continued robust growth. The history of the oil industry in India goes back to 1889 when oil was discovered in Digboi in Assam, NE India. India’s oil and natural gas resource base is spread over 3 million square kilometers of sedimentary area in 26 sedimentary basins. Based on current production statistics, approximately 64% of India’s crude oil production and 98% of natural gas production comes from the country’s offshore acreages. India currently has the most land rigs of any country outside of North America and has the fourth largest fleet of offshore rigs.

With the official award of the Block, the Company has created a platform for significant growth in its core areas. Having been granted four large exploration blocks at international bid rounds in proven, producing basins in onshore and offshore India and Australia in the past two years, the Company has increased its undeveloped land position by 250% to 2.3 million net acres, and has evolved dramatically from a primarily non-operated land base to operating 87% of its net acreage. The size of Bengal’s undeveloped land base in India and Australia now surpasses the 2009 acreage of every publicly traded junior and intermediate oil and natural gas company operating in Western Canada. Bengal is positioned to drill up to six wells in the next 12 months and has active seismic programs to advance its plays and prospects to future drill locations.

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.

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 approximate size and nature of seismically defined features, the ability of the Company to acquire 3D seismic data over the geological structure at CY-OSN-2009/1, the degree to which other operators in the India's Cauvery Basin will execute on their plans for exploration in the area, the ability of Bengal to complete its US\$2 million work commitment on the Block, the accuracy of growth projections for India, the ability of Bengal to drill up to six new wells in the next 12 months, the impact of general global economic conditions, 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. The Company believes 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". Risks include, but are not limited to: uncertainties and other factors that are beyond the control of the Company, delays or changes in plans, Bengal's ability to meet the capital expenditures, the estimated size of any seismic features, whether additional geosciences work will progress to defining drillable locations and the possible prospectivity of the Company's acreage. 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 require pursuant to applicable securities laws.

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