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**Bengal Energy Announces Equity Financing of Up To \$12.0 Million and the Appointment of Two New Directors**

**August 30, 2010 - Calgary, Alberta** – Bengal Energy Ltd. (TSX:BNG) ("Bengal" or the "Company") is pleased to announce that it has filed a preliminary short form prospectus with respect to a marketed public offering of up to 12.0 million common shares ("Common Shares") of Bengal at a price of \$1.00 per Common Share for aggregate gross proceeds of up to \$12.0 million, in each of the provinces of Canada, other than Quebec (the "Offering"). The Offering is being conducted on a "commercially reasonable efforts" basis through a syndicate of agents, led by Wellington West Capital Markets Inc. ("WWCM") and including Macquarie Capital Markets Canada Ltd., PI Financial Corp. and Toll Cross Securities Inc. (together with WWCM, the "Agents") pursuant to an agency agreement to be entered into between the Company and the Agents.

Closing of the Offering is anticipated to occur on or about September 16, 2010, or any such other date as agreed to by the Company and the Agents, and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the Toronto Stock Exchange ("TSX") and the sale in the Offering of a minimum of 8.0 million Common Shares for aggregate gross proceeds of not less than \$8.0 million.

The net proceeds from the Offering will be used to fund the Company's ongoing capital expenditure programs in India and Australia and for general working capital corporate purposes.

Bengal is also pleased to announce the appointment of Robert D. Steele and Richard A.N. Bonnycastle to the board of directors of the Company. Mr. Steele is a professional engineer and is currently an independent businessman with over 35 years of experience in the oil and gas industry. Mr. Steele has previously held management roles with Imperial Oil Limited and Canadian Hunter Exploration Limited. Mr. Steele was the founding CEO of Stellarton Energy Corporation (a company composed of an oil and gas production division and Secure Oil Tools, an optimization focused service company) and Berens Energy Ltd. Mr. Steele currently is a director of two Canadian public companies, Technicoil Corp. and Skywest Energy Ltd. and is a former director of Find Energy Ltd., a company previously listed on that TSX. Mr. Bonnycastle is currently the Chairman and President of Cavendish Investing Ltd., a private investment company with numerous investments in both public and private companies, including investments in several oil and gas companies. Among other companies, Mr. Bonnycastle has previously been a director of Torstar Ltd., Canada Development Investment Corporation, Harlequin Enterprises, Bowood Energy Inc., Twoco Petroleum Ltd., Find Energy Ltd., Profound Energy Inc. and Stellarton Energy Corporation. Mr. Bonnycastle has served as Chairman of each of Bracknell Corporation and Patheon Inc. Currently, Mr. Bonnycastle is a director of Century Energy Ltd. and Pacific Iron Ore Corporation.

***About Bengal***

Bengal Energy Ltd. is an international junior oil and gas exploration and production company with assets in Canada, 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](http://www.bengalenergy.ca).

***Forward-Looking Statements***

*This news release contains certain statements which constitute forward-looking statements or information ("forward-looking statements"), including statements regarding the expected closing date of the Offering, the*

*amount and use of proceeds and the conditions to closing the Offering. These forward-looking statements are based on certain key expectations and assumptions, including assumptions regarding the timing of receiving required approvals, the use of proceeds, the closing of the Offering and the general economic conditions in Canada, Australia, India and globally and operations of the Company. These factors and assumptions are based upon currently available information and the forward-looking statements contained herein speak only as of the date hereof. Although the Company believes the expectations and assumptions reflected in the forward-looking statements are reasonable, as of the date hereof, undue reliance should not be placed on the forward-looking statements as Bengal can give no assurances that they will prove correct and because forward-looking 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. These 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).*

**Disclaimer**

*This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities of Bengal in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities to be offered have not been and will not be registered under the United States Securities Act of 1933, as amended, or any state securities laws and may not be offered or sold within the United States or to or for the account or benefit of a U.S. Person absent registration or an applicable exemption from the registration requirements of such Act or laws.*

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