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BENCHMARK ENERGY CORP.

NEWS RELEASE

BENCHMARK SIGNS AGREEMENT TO USE PROPRIETARY RADIAL DRILLING TECHNOLOGY IN INDONESIA AND MALAYSIA

Calgary, Alberta, Canada, October 4th, 2006 - BENCHMARK ENERGY CORP. ("Benchmark" or the "Company" - TSX Venture: BEE) is pleased to report that it has entered into a Participation Agreement with Radial Drilling Services Inc. ("RDS") of Houston, TX, whereby Benchmark will contribute towards the manufacture of a radial unit in exchange for a priority right to use the technology in Indonesia and Malaysia. To date, RDS' radial drilling technology has been applied to over 230 wells, in the US, Canada, the Former Soviet Union, and Latin America, with an average increase of 2.6 times per well. Further information on the technology can be found at www.radialdrilling.com.

RDS' proprietary radial drilling technology is ideally-suited for the rehabilitation and development of marginal oil & gas fields, including a number of opportunities being investigated by Benchmark in Indonesia and Malaysia.

Under the terms of the agreement with RDS, Benchmark will pre-pay RDS for services to be provided in a sufficient amount to fund the manufacture and delivery of a radial drilling unit for priority use by the Company in Indonesia and Malaysia. This pre-payment will be treated as an advance towards radial drilling services to be completed by RDS on marginal field interests acquired or earned by Benchmark, with 75% of the cost of the work on wells to be credited towards the pre-payment and the remaining 25% to be paid out of production generated. RDS will hold a 12.5% back-in right from the Company on any projects in Indonesia and Malaysia that Benchmark applies the radial drilling technology to.

The Company currently holds a 1/3rd interest in the offshore Cosmos Field located in the Gulf of Hammamet, in Tunisia. The concession is large with near-term development potential as well as significant exploration possibilities. Independent assessments estimate total gross recoverable reserves to be between 5 and 7 million barrels (1.6 to 2.3 million barrels net to Benchmark) in the field on the existing structures that have been identified and tested. Further updates will be provided as soon as possible.

Benchmark Energy is a junior Canadian oil and gas exploration Company, focused internationally on North and West Africa, and Indonesia and Malaysia where we have identified a number of projects that would be well-suited for application of the radial drilling technology.

The Company intends to further its working interests in Tunisia as well as to develop projects in marginal oil and gas fields elsewhere internationally.

Certain information set forth in this press release, including a discussion of future plans and operations, contains forward looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond management's control, including but not limited to, the impact of general economic conditions, industry conditions, fluctuation of commodity prices, fluctuation of foreign exchange rates, environmental risks industry competition, availability of qualified personnel and management, stock market volatility, timely and cost effective access to sufficient capital from internal and external sources. Actual results, performance or achievement could differ from those expressed in or implied by these forward-looking statements.

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