

**BENCHMARK ENERGY CORP.
ANNOUNCES TERMINATION OF AGREEMENT
TO ACQUIRE RANCHO HERMOSO S.A.**

Symbol: BEE: TSX Venture

August 1, 2007

Calgary, July 31, 2007 – Benchmark Energy Corp. ("Benchmark" or the "Company"), a junior Canadian oil and gas company with an international focus listed on the TSX Venture Exchange ("TSXV"), wishes to announce that it has formally terminated its previously announced agreement (the "Agreement") with Rancho Hermoso S.A. ("Rancho"), Sparrow Financial, Inc., which holds beneficially 95% of the shares of Rancho (the "Shares"), and several other minority shareholders that hold the remaining 5% of the Shares, (collectively, the "Vendors") to acquire, directly or indirectly, 100% of the Shares.

Pursuant to the terms of the Agreement, Benchmark and its advisers undertook a due diligence review of Rancho and its assets. Based on the results of this review, and in particular the results of an evaluation of Rancho's reserves by Sproule International Limited, Benchmark has terminated the Agreement. In connection with the termination of the Agreement the Company has formally requested the release of the funds which were being held as a deposit in respect of the closing of the acquisition of the Shares. Additionally, the previously announced financing which was to be undertaken to fund, among other things, the balance of the purchase price for the Shares, will not proceed on the basis previously announced.

Benchmark is continuing to evaluate opportunities in Colombia to establish a base of operations consistent with our view of the strong potential this area represents. Also, management is continuing to discuss with the Vendors the possibility of restructuring the proposed acquisition on a basis that is acceptable relative to Benchmark's acquisition criteria and other opportunities

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Certain information regarding Benchmark contained herein may constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking statements may include estimates, plans, anticipations, expectations, opinions, forecasts, projections, guidance or other similar statements that are not statements of fact. Although Benchmark believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. These statements are subject to certain risks and uncertainties and may be based on assumptions that could cause actual results to differ materially from those anticipated or implied in the forward-looking statements. Benchmark's forward-looking statements are expressly qualified in their entirety by this cautionary statement.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.