

**BENCHMARK ENERGY CORP.
ANNOUNCES EXECUTION OF SHARE PURCHASE AGREEMENT
TO ACQUIRE RANCHO HERMOSO S.A.**

Symbol: BEE: TSX Venture

July 3, 2007

Calgary, July 3, 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"), is pleased to announce that it has, through its subsidiary, Benchmark Holdings (BVI) Limited (the "Purchaser"), entered into a definitive share purchase agreement (the "Agreement") dated June 22, 2007 with Rancho Hermoso S.A. ("Rancho"), Sparrow Financial, Inc., which holds beneficially 95% of the shares of Rancho, and several other minority shareholders that hold the remaining 5% of the shares of Rancho (collectively, the "Vendors"), pursuant to which the Purchaser will acquire, directly or indirectly, 100% of the shares of Rancho. No individual, directly or indirectly, holds a controlling interest in, or otherwise controls or directs, any of the Vendors.

Pursuant to the terms of the Agreement and subject to certain conditions, the Purchaser intends to acquire, directly or indirectly, all of the issued and outstanding securities of Rancho, an oil and gas exploration and production company located in the Republic of Colombia with its principal assets being interests in the Rancho Hermoso and Entrerrios oil fields in the Llanos Basin of Colombia. Benchmark, through its subsidiaries, will hold 90% of the Rancho shares with the remaining 10% held by Radial Energy, Inc., a Nevada Corporation ("Radial"). Below is an unaudited presentation of certain significant financial information of Rancho derived from management prepared statements as at and for the four months ended April 30, 2007:

	(\$US)
Working Capital	(\$ 1,964,282)
Total Assets	\$12,082,222
Total Liabilities	\$ 7,283,846
Shareholders' Equity	\$ 4,798,376
Revenue	\$ 7,271,972
Net Income	\$ 1,345,312

The purchase price for the transaction, to be paid by Benchmark, which includes a US\$1,000,000 pre-closing dividend to the current shareholders of Rancho, out of the working capital of Rancho, will be US\$30,000,000 (the "Purchase Price"). Closing of the transaction is subject to a number of conditions including: (i) obtaining all necessary regulatory approvals, including the approval of the TSXV and any approvals required by the government of the Republic of Colombia; (ii) completion of satisfactory due diligence with respect to Rancho and the Vendors; and (iii) other conditions typical of a transaction of this nature.

Benchmark will be acquiring approximately 1300 barrels of oil per day (net) through this acquisition. Benchmark has engaged independent engineers Sproule International Limited to complete an updated reserves assessment of Rancho in compliance with Canadian Securities Administrators National Instrument 51-101.

In connection with the transaction, Benchmark has entered into a bridge loan facility (the "Credit Facility") with Quest Capital Corp. in the amount of US\$9,000,000 (Cdn. \$9,665,207.50) which, together with US\$1,000,000 of Benchmark's own funds, is being held in escrow as a deposit/first installment toward the Purchase Price (the "Escrow Funds") subject to the terms of an escrow agreement, until the

closing of the transaction (the "Closing"), currently scheduled for July 31, 2007. The Credit Facility is secured by general security agreements covering all of the assets of Benchmark and Benchmark Holdings (BVI) Limited, which is Benchmark's co-borrower and the purchasing subsidiary, owned by Benchmark as to 90%, including the Escrow Funds. The Credit Facility is due on August 1, 2007 (or earlier if the Closing is to occur or the Agreement terminates prior to that date), and is to be repaid from either the Escrow Funds or the proceeds of any equity or debt financings. It is intended that the Credit Facility will be paid from a portion of the proceeds of the Offering described below. The facility bears interest at a rate of 12% per annum (compounded monthly), and Benchmark has issued to Quest Capital Corp. 400,725 common shares as a bonus.

Additionally, Benchmark is pleased to announce that it has entered into a financing agreement with respect to a private placement financing on a "best efforts" marketed basis (the "Offering") led by Wellington West Capital Markets Inc., Westwind Partners Inc. and including Cormark Securities Inc., Genuity Capital Markets G.P., Fraser MacKenzie Ltd. and Jennings Capital Inc. (collectively, the "Agents"). Pursuant to the terms of the Offering, Benchmark will issue up to 40,909,091 units ("Units") at a price of \$1.10 per Unit (the "Offering Price"), each Unit consisting of one common share of Benchmark ("Common Share") and one half of one share purchase warrant ("Warrant"). Each whole Warrant will entitle the holder thereof to purchase one Common Share at a price of \$1.37 until 5:00 p.m. (Toronto time) on the date which is 18 months following the Closing. In addition, Benchmark has granted the Agents an option (the "Option") to increase the Offering by up to 13,636,364 Units at the Offering Price at any time prior to the date of Closing. The Offering is subject to customary regulatory and stock exchange approvals and is expected to close on or about July 23, 2007. After giving effect to the Offering (assuming the Offering is fully subscribed and the Agents exercise their Option in full), Benchmark will have 77,175,577 common shares issued and outstanding. Proceeds of the Offering will be used to pay the Purchase Price, to fund ongoing operations with respect to the Rancho assets and to fund further proposed acquisitions currently being evaluated by Benchmark.

The boards of directors of Benchmark, Radial, Rancho and the Vendors have unanimously approved the Agreement. The Agreement contains a mutual non-completion fee of \$500,000, which is payable in certain circumstances.

Benchmark further reports that it is pleased to announce the appointment of Fernando La Rotta to its Board of Directors, to replace Jean-Michel Rebilly who has resigned to focus on other business interests. The Board wishes to thank Mr. Rebilly for his contributions to the success of the Company.

Mr. La Rotta has over 25 years' experience in the oil and gas industry including managerial/executive positions in major companies active in Colombia. He is the former CEO of Oleoducto Central S.A., Colombia's largest private pipeline company, and formerly the Transportation Vice-President of Colombian state-owned Ecopetrol.

Larry W. Youell, Chairman of the Company, commented, "We are particularly pleased that this agreement has been reached because of the fundamental merits of the oil fields we are acquiring, and the upside potential we believe they hold; plus, perhaps most importantly, this will establish Benchmark as a solid operator in Colombia which should open the doors to many more opportunities there."

The common shares of Benchmark are currently halted at the Company's request and will remain so until the TSXV has received all requisite documentation in connection with the transaction and the Offering.

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This news release shall not constitute an offer to sell or the solicitation of any offer to buy the securities in any jurisdiction.

This news release is not for dissemination in the United States or to any United States news services. The Common Shares and Warrants offered under the Offering will not be and have not been registered under the United States Securities Act of 1933 and may not be offered or sold in the United States.

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.

Completion of the transaction is subject to a number of conditions, including TSX Venture Exchange acceptance. There can be no assurance that the transaction will be completed or as proposed at all.

Investors are cautioned that, except as disclosed in the Filing Statement to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Benchmark Energy Corp. should be considered highly speculative.

The TSX Venture Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.