

BENCHMARK ENERGY CORP.

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NEWS RELEASE

Benchmark Energy Corp. reports signing of agreement to farm-in to Buena Vista Block in Colombia; arranges private placement for up to \$4 million

CALGARY, May 29, 2008 – Benchmark Energy Corp. (“Benchmark” or the “Company”), (TSXV:BEE) reports that it has entered into a Letter Agreement (the “Agreement”) with Infinity Oil Limited (“Infinity”), an Australian private company, whereby it can earn up to a 35% participating interest in the Buena Vista Block (the “Block”) in Colombia. The Block lies 150 km north of the capital city of Bogota, in the Eastern Cordillera Basin, on good roads and near oil infrastructure. Oilfield supplies and services are readily available both in Bogota and in Yopal to the east. There are 2 existing wells that have been drilled on the Block, the Bolivar 1 and the Bethel 1; the Bolivar 1 well is currently producing about 95 barrels of oil per day, and the Bethel 1 well is shut-in awaiting a workover.

Under the terms of the Agreement, and subject to JOA approval, Benchmark can earn the 35% participating interest by undertaking the following:

- (a) pay for 100% of the cost of a 40 to 50 square km 3D seismic programme on the Buena Vista Block for up to a maximum of US\$2.7 million net to Benchmark, in order for Benchmark to earn a 10% participating interest in the Block;
- (b) pay 100% of the cost of a radial drilling operation to be performed on the Bolivar 1 well, such operation to include a remedial cement squeeze up to a maximum of US\$1 million, in order for Benchmark to earn an eight percent (8%) participating interest in the Block;
- (c) pay 100% of the cost of a radial drilling operation to be performed on the Bethel 1 well, such operation to include a remedial cement squeeze up to a maximum of US\$1 million, in order for Benchmark to earn an eight percent (8%) participating interest in the Block; and
- (d) pay for two thirds (66.67%) of the cost of drilling one exploratory well on the Block at a location to be agreed by the parties, estimated to cost US\$4.5 million (US\$3.0 million net to Benchmark), in order for Benchmark to earn a nine percent (9%) interest in the Asset.

Upon completion of all of the obligations described above Benchmark will have earned an undivided thirty-five percent (35%) participating interest in the Block.

The 3D seismic program is due to commence during June, subject to seismic crew availability, and the radial drilling of the Bolivar 1 and Bethel 1 wells will likely be undertaken during September of this year, subject to the approval to the partners in the Block.

Benchmark and Infinity intend to enter into a Formal Participation Agreement during the next 60 days, during which time Infinity is bound to work exclusively with Benchmark on the Buena Vista Block.

The Company further reports that it proposes to complete a non-brokered private placement for up to 10,000,000 units ("Units") of the Company at a price of \$0.40 per Unit for gross proceeds of approximately \$4 million (the Offering"). Each Unit consists of one common share ("Common Share") and one half of one common share purchase warrant (a "Warrant"). Each whole Warrant entitles the holder thereof to acquire one Common Share at an exercise price of \$0.65 per Common Share at any time on or before the 12 month anniversary of the closing of the Offering. The Common Shares and Warrants issued pursuant to the Offering are subject to a four-month hold period. A finders' fee may be payable on a portion of the Offering.

Shareholders of Infinity have expressed an interest in subscribing for a minimum of \$1.5 million of the Offering; furthermore, insiders of Benchmark intend to purchase up to 25% of the Offering. Proceeds from the Offering will be used to fund obligations pursuant to the Agreement, and be added to working capital. Completion of the private placement, along with the proceeds of the sale of the Company's Tunisian assets (as per the Company news release of April 28, 2008), would result in total proceeds to Benchmark of approximately \$9 million.

The Agreement and the private placement are both subject to regulatory and TSX Venture Exchange approval.

Benchmark is a junior Canadian oil and gas exploration and development Company, focused internationally.

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The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release, and has neither approved nor disapproved the contents of this press release.

Buena Vista Block location, Colombia



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