



BENCHMARK ENTERS INTO DEFINITIVE AGREEMENT WITH DELAVACO ENERGY INC. REGARDING BUSINESS COMBINATION

CALGARY, Alberta – January 26, 2009 – Benchmark Energy Corp. (TSXV: BEE) ("**Benchmark**" or the "**Company**"), is pleased to announce that, further to its press releases of December 2, 2008 and December 19, 2008, it has entered into an arm's-length definitive agreement dated January 16, 2009 (the "**Agreement**") to acquire 100% of Delavaco Energy Inc. ("**Delavaco**") for share consideration equivalent to C\$25,000,000 (the "**Transaction**"). A copy of the Agreement will be filed on Benchmark's SEDAR profile at www.sedar.com.

Delavaco currently has 49,713,900 common shares (the "**Delavaco Shares**") issued and outstanding. Holders of Delavaco Shares (the "**Delavaco Shareholders**") will receive 3.0841 common shares of Benchmark (the "**Benchmark Shares**") in exchange for each Delavaco Share held by such Delavaco Shareholder (the "**Exchange Ratio**"). Aggregate consideration paid to Delavaco Shareholders will consist of approximately 153,324,869 Benchmark Shares, at a deemed price of \$0.163 per share, subject to adjustment as set forth in the Agreement. There are currently 25,758,578 Benchmark Shares issued and outstanding. Closing of the Transaction is subject to a number of conditions customary for a transaction of this nature, including, among other things, regulatory and shareholder approval, and is expected to occur on or about March 25, 2009.

Pursuant to the Agreement, Delavaco will amalgamate (the "**Amalgamation**") with 2192582 Ontario Inc. ("**AcquisitionCo**"), a wholly-owned subsidiary of Benchmark. At the annual and special meeting of the holders of Benchmark Shares (the "**Benchmark Shareholders**") to approve the Transaction (the "**Benchmark Meeting**"), Benchmark Shareholders will be asked to, among other things, consider and if deemed advisable, approve an ordinary resolution authorizing the Amalgamation and a special resolution, subject to the Amalgamation becoming effective and the receipt of all required regulatory approvals, changing Benchmark's name to "**Delavaco Energy Corp.**" The Benchmark Meeting will be held on or about March 23, 2009.

The board of directors of Benchmark (the "**Benchmark Board**") has unanimously determined (subject to certain abstentions required under applicable laws, as described further below) that the Benchmark Shareholders should vote FOR the transactions contemplated by the Agreement and that the Transaction is in the bests interest of Benchmark and the Benchmark Shareholders.

Delavaco will hold an annual and special meeting (the "**Delavaco Meeting**") of Delavaco Shareholders wherein the Delavaco Shareholders will be asked to, among other things, consider and if deemed advisable, approve a special resolution authorizing the Amalgamation, the Agreement and the transactions contemplated thereby. The Delavaco Meeting will be held on or about March 23, 2009.

The board of directors of Delavaco (the "**Delavaco Board**") has unanimously determined that Delavaco Shareholders should vote FOR the transactions contemplated by the Agreement and that the Transaction is in the best interests of Delavaco and the Delavaco Shareholders.

Description of Delavaco

Delavaco is a private Canadian oil and gas company with exploration and production interests in three producing blocks in Colombia.

The combined Benchmark and Delavaco entity (the "**Combined Entity**") will be focused on upstream oil & gas exploration and development in Colombia, Brazil and Trinidad and potentially elsewhere in the region. Previously, Benchmark held an interest in an offshore development project in Tunisia, which it sold during 2008, and was seeking to acquire and/or farm-in to upstream oil & gas projects in South America and the region. In connection with this, Benchmark agreed in August 2008 to farm-in to earn 60% of three (3) onshore blocks in Brazil held by BrazAlta Resources Corp., by funding 100% of the estimated US\$1.7 million 2D seismic program over these blocks.

Delavaco has a working interest in two (2) exploration and exploitation blocks (Rio Magdalena at 51% and Carbonera at 39%) with potential exploration and development upside. Delavaco also holds a 3.6% interest in the La Punta #2, which is a producing well within the La Punta block. Delavaco's daily average net production after royalty as at November 30, 2008 was 117 barrels of oil and 428 Mcf of gas.

According to an oil & gas reserves report, prepared by Petrotech Engineering Ltd., an independent consulting firm, for Delavaco prepared in accordance with National Instrument 51-101 of the Canadian Securities Administrators, as at November 30, 2008, Delavaco's net reserves after deduction of royalties (forecast case) were as follows:

	L&M Oil		Gas		NGL	
	Gross (Mbbl)	Net (Mbbl)	Gross (Mcf)	Net (Mcf)	Gross (Mbbl)	Net (Mbbl)
Proved:						
Developed Producing	73	68				
Undeveloped	<u>121</u>	<u>111</u>	<u>5,465</u>	<u>5,115</u>	<u>312</u>	<u>287</u>
Total Proved	194	179	5,465	5,115	312	287
Probable	<u>291</u>	<u>268</u>	<u>57,470</u>	<u>53,792</u>	<u>2,518</u>	<u>2,317</u>
Total Proved + Probable	486	447	62,934	58,906	2,831	2,604

		NPV Before Tax (\$000 US) discounted @	
		<u>0%</u>	<u>10%</u>
Proved:			
Developed Producing		3,244	2,549
Undeveloped		<u>10,599</u>	<u>4,915</u>
Total Proved		13,843	7,464
Probable		<u>256,578</u>	<u>145,293</u>
Total Proved + Probable		270,601	152,757

Note that future net revenue does not necessarily represent fair market value of Delavaco's reserves.

The forecast natural gas and oil prices are based on NYMEX futures (www.NYMEX.com) for the week beginning December 8, 2008. The NYMEX futures are used to determine the commodity price escalation up to the NYMEX forecast year. The NYMEX West Texas Intermediate prices are adjusted according to the Platts Latin American Wire and Platts Natural Gas Liquids Wire from mid-week September 4, 2008. The major Colombian oil reference prices and their adjustment from West Texas Intermediate are for Cusiana (-\$0.97/bbl), Vasconia (-\$9.60/bbl) and 18.5° API Pipeline Specification (-\$13.75/bbl). The forecast natural gas prices for the Company's Colombian properties are based on a sales gas contract base price and then escalate in accordance with the NYMEX heating oil futures. The heating oil futures are used in Colombia to forecast natural gas prices because they better represent the current natural gas usage in the country. Prices are then escalated at 2% per year after 2013. Costs are escalated at 5% per year based on the Colombian price index. The forecast prices used are as follows:

	WTI Light Crude Oil	La Punta 37 API Oil	Rio Magdalena Oil	Rio Magdalena Gas	Cerro Gordo Gas	Cerro Gordo NGL	Heating Oil
Year	(\$/bbl)	(\$/bbl)	(\$/bbl)	(\$/MMbtu)	(\$/MMbtu)	(\$/bbl)	(\$/USgal)
2008	54.43	50.40	49.47	3.80	4.00	40.74	1.67
2009	60.43	56.40	55.47	4.15	4.37	45.23	1.83
2010	70.04	66.01	65.08	4.60	4.84	52.43	2.03
2011	76.37	72.34	71.41	4.79	5.04	57.16	2.11
2012	80.38	76.35	75.42	4.89	5.14	60.17	2.15
2013	82.95	78.92	77.99	4.98	5.25	62.09	2.19

Development of Delavaco's interests in Colombia will require an estimated \$34 Million USD of capital expenditures, with approximately \$14 Million USD of such expenditures to be undertaken during the 2009 calendar year, \$1.165 Million USD of which are required to be expended in the first quarter of 2009. In order to meet these requirements Benchmark may be required to access the capital markets in the future and there is no assurance that such capital will be available on terms acceptable to Benchmark, if at all. Benchmark may also seek to farm-out some of its opportunities.

The following is a summary of significant financial information of Delavaco derived from unaudited management prepared statements as at and for the six months ended June 30, 2008 (all figures Canadian dollars):

Working Capital	\$4,981,903
Total Assets	\$26,117 435
Total Liabilities	\$3,017,274
Shareholders' Equity	\$23,100,161
Revenue	\$nil
Net income (loss)	\$(1,518,193)

Principals of the Combined Entity

Zoran Arandjelovic currently holds approximately 33% of the issued and outstanding Delavaco Shares and will, following closing of the Transaction, hold greater than 20% of the Benchmark Shares, as then constituted. Mr. Arandjelovic is a resident of Maple, Ontario, Canada and has been actively involved with several publicly traded companies including Epsilon Energy Ltd., a TSX listed oil & gas company, where he serves as Executive Chairman, and Tawsho Mining Inc., a TSXV listed junior mining company, where he serves as Chairman of the board of directors.

Andrew DeFrancesco is currently the Executive Chairman of Delavaco, a position he has held since May 2008, and will become the Co-Chairman of Delavaco Energy Corp. upon closing of the Transaction. Prior thereto he served as President and Chief Executive Officer of Delavaco from its inception in November 2007.

David Robinson is currently the President and Chief Executive Officer of Benchmark, a position he has held since January 2007, and will become, along with Mr. DeFrancesco, the Co-Chairman of Delavaco Energy Corp. upon closing of the Transaction.

Robert Szczuczko is currently the President and Chief Executive Officer of Delavaco and will continue in this role with Delavaco Energy Corp. upon closing of the Transaction. Mr. Szczuczko will also become a member of the board of Delavaco Energy Corp. Mr. Szczuczko has 33 years of experience in the oil & gas industry, most recently as Executive Vice-President of Geoscience and Engineering at Canoro Resources Ltd., a junior oil & gas company listed on the TSXV and prior thereto as Manager of Production at PetroKazakhstan Inc.

Chris Cooper is currently the Chief Financial Officer of Benchmark and will continue in this role on an interim basis with Delavaco Energy Corp. upon closing of the Transaction. Mr. Cooper has served in various capacities with a number of publicly traded oil & gas companies including

Choice Resources Corp. and Watch Resources Ltd. A replacement for Mr. Cooper will be sought following closing of the Transaction.

Messrs. DeFrancesco, Robinson and Szczuczko will be joined on the board of directors of Delavaco Energy Corp. by Mr. Larry Youell and Mr. Brian Petersen, each of whom currently sits on the Benchmark Board. Additionally, two further nominees to the Delavaco Energy Corp. board of directors will be chosen by Delavaco, in consultation with Benchmark. Information with respect to these two further nominees will be contained in a subsequent press release.

Concurrent Private Placement of Delavaco

Delavaco is currently undertaking a "best efforts" private placement financing (the "**Delavaco Private Placement**") co-led by Cormark Securities Inc., Clarus Securities Inc. and Thomas Weisel Partners to raise up to an aggregate of C\$15 million by way of an offering of common share subscription receipts ("**Delavaco Share Subscription Receipts**") and convertible debenture subscription receipts of Delavaco ("**Delavaco CD Subscription Receipts**"), provided that not more than \$10 million principal amount of convertible debentures may be issued pursuant to the Delavaco Private Placement. Any shares issued by Delavaco pursuant to the Delavaco Private Placement prior to the closing of the Transaction will not result in an adjustment to the Exchange Ratio.

The closing of the Delavaco Private Placement is not a condition precedent to the closing of the Transaction and Delavaco is not required to complete any minimum offering amount under the Delavaco Private Placement. The proceeds from the Delavaco Private Placement will be used to satisfy capital commitments and for working capital purposes. Following the closing of the Transaction, and assuming successful completion of the Delavaco Private Placement, Delavaco Energy Corp. expects to have approximately C\$15.3 million of cash, before deduction of fees and expenses related to the Transaction and ongoing business expenses made in the normal course.

A subsequent news release will provide an update as to the status of the Delavaco Private Placement, if applicable.

Bridge Loan to Delavaco in Connection with the Transaction

In connection with the Transaction and as more fully described in a press release dated December 18, 2008, the TSX Venture Exchange ("**TSXV**") approved a secured non-revolving credit facility (the "**Bridge Loan**") of up to USD\$1,500,000 from Benchmark to Delavaco. An initial drawdown of USD\$1,010,000 has been made by Delavaco on the Bridge Loan. A copy of the Bridge Loan has been filed on Benchmark's SEDAR profile available at www.sedar.com.

The Bridge Loan was established by Benchmark, in favour of Delavaco, as a secured, non-revolving credit facility which may be drawn by Delavaco on the dates and in the amounts provided for in Schedule "B" to the Bridge Loan. The Bridge Loan is not a revolving loan and Benchmark is not obligated to re-advance any amounts that have been repaid by Delavaco.

The proceeds of the Bridge Loan will be used to fund obligations of Delavaco with respect to exploration and production interests in the Rio Magdalena, Carbonera and La Punta blocks in Colombia.

The aggregate principal amount under the Bridge Loan will be paid by Delavaco to Benchmark on or before June 18, 2009 (the "**Maturity Date**") together with all accrued and unpaid interest and fees on the aggregate principal amount and all other amounts owing to Benchmark in respect of the loan documents on such date shall also be paid.

Delavaco will make repayments of the aggregate principal amount of the Bridge Loan to Benchmark equal to 100% of the net cash proceeds received by Delavaco or any of its subsidiaries from (a) any private or capital markets issue of debt or equity (including the Delavaco Private Placement) and (b) any sale or other disposition of any of Delavaco's or any of its subsidiaries' assets, in each case, within three (3) business days of the receipt thereof. Upon one business day prior notice to Benchmark, Delavaco shall have the right to prepay all or any part of the aggregate principal amount without premium, bonus or penalty.

The aggregate principal amount of the Bridge Loan will bear interest at a rate of 8% per annum. Interest on the aggregate principal amount will be calculated on the basis of a year of 365 days and will accrue from the drawdown date and be calculated and compounded monthly and, except as expressly stated otherwise in the Bridge Loan, be payable in arrears in full on the Maturity Date.

Conditions to the Completion of the Transaction

The consummation of the Transaction is subject to the satisfaction of a number of conditions including, among other things:

- (a) the joint information circular and other documentation required in connection with the Delavaco Meeting and Benchmark Meeting shall have been mailed on or before February 25, 2009;
- (b) the Delavaco Meeting resolution approving the Amalgamation and the Amalgamation Agreement shall have been approved by the Delavaco Shareholders at the Delavaco Meeting;
- (c) the Benchmark Meeting resolution approving the Amalgamation Agreement shall have been approved by the Benchmark Shareholders at the Benchmark Meeting, including, if required, by "minority approval" as such term is defined in Multilateral Instrument 61-101 ("**MI 61-101**");
- (d) the Amalgamation shall have become effective on or prior to April 30, 2009;
- (e) TSXV approval;
- (f) holders of not greater than one percent (1%) of the outstanding Delavaco Shares shall have exercised dissent rights in respect of the Amalgamation that have not been withdrawn as at the effective date of the Amalgamation; and

- (g) such other conditions as are customary for a transaction of this nature.

In connection with the Transaction, Benchmark and Delavaco have agreed, subject to certain exceptions, that neither will solicit nor initiate discussions regarding any other business combination and the Agreement provides for the payment, by either Benchmark or Delavaco, as applicable, of a \$300,000 non-completion fee under certain circumstances where the Agreement is terminated.

Sponsor

Wellington West Capital Markets Inc. ("**Wellington West**") has agreed to act as sponsor pursuant to TSXV Policy 2.2 (the "**Sponsor**") in connection with the Transaction. In connection with its services as Sponsor, Wellington West will, among other things and subject to the completion of satisfactory due diligence, prepare and file a sponsorship report with the TSXV in accordance with TSXV policies. An agreement to act as Sponsor should not be construed as an assurance with respect to the merits of the Transaction or the likelihood of the completion of the Transaction.

Financial Advisors

Cormark Securities Inc. is acting as financial advisor to Delavaco with respect to the Transaction and has advised the Board of Directors of Delavaco that it is of the opinion that the consideration to be received by Delavaco Shareholders pursuant to the Amalgamation is fair, from a financial point of view, to the Delavaco Shareholders.

Petersen Capital Corporation is acting as financial advisor to Benchmark with respect to the Transaction and has assisted the Board of Directors of Benchmark in their evaluation of the Transaction. Brian Petersen, a director of Benchmark and a principal of Petersen Capital Corporation, has declared an interest in, and has abstained from voting in respect of, the Amalgamation.

Trading Halt

Trading of the Benchmark Shares") has been halted by the TSXV and the Benchmark Shares will remain halted in accordance with TSXV policies until all required documentation with respect to the Transaction has been received.

About Benchmark Energy Corp.

Benchmark is a development stage junior oil and gas company focused internationally which holds the preferential right in Colombia, Peru, Ecuador and Trinidad for the use of a proprietary well-performance enhancement technology, which may have some application within the interests in Colombia being acquired through the Delavaco transaction. Furthermore, Benchmark holds a 60% interest in three (3) onshore blocks in Brazil's Espirito Santo basin known as Blocks 318, 362, and 380 where the Company earned its interest by funding 100% of an 83-km 2D seismic shoot at a cost of approximately US\$1.7 million.

FOR FURTHER INFORMATION PLEASE CONTACT:

Benchmark Energy
David Robinson
Chairman & CEO
403-802-0770

Forward-Looking Statements

Certain information set forth in this press release, including management's assessment of future plans and operations, contains forward-looking statements. In addition, information with respect to the crude oil, natural gas liquids and natural gas reserves, resources and future net production revenues attributable to the properties of Delavaco are based on management estimates of Delavaco. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond management's control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve or resource estimates, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility, the ability to access sufficient capital from internal and external sources, and unexpected transportation or other issues, such as guerrilla activity that has occurred sporadically in Colombia. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. Actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements. No assurance can be given that any of the events anticipated will transpire or occur, or if any of them do so, what benefits will derive from them. Benchmark disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

In this news release, reserves and production data are commonly stated in barrels of oil equivalent ("boe") using a six to one conversion ratio when converting thousands of cubic feet of natural gas ("Mcf") to barrels of oil ("bbl") and a one to one conversion ratio for natural gas liquids. Such conversion may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES.

Completion of the transaction is subject to a number of conditions, including TSXV acceptance and disinterested Benchmark Shareholder approval. The Transaction cannot close until the required Benchmark Shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the Management Information Circular 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 should be considered highly speculative.

The TSXV has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release. Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

Wellington West, subject to completion of satisfactory due diligence, has agreed to act as sponsor to Benchmark in connection with the Transaction. An agreement to sponsor should not be construed as any assurance with respect to the merits of the Transaction or the likelihood of completion.