

**NEWS RELEASE**  
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**Strategic Announces 2009 Year End Results and Reserves**

**Tuesday, April 13, 2010, Calgary AB** - Strategic Oil & Gas Ltd. has provided its financial results for the year ended Dec. 31, 2009, and also the results of its independent reserve report as at Dec. 31, 2009.

**2009 Year-End Results**

OVERVIEW OF PERFORMANCE

Summary

2009 was a transition year for the Corporation. A decision was made to grow Strategic, which involved acquiring a strong technical team through the ZinMac Inc. acquisition to assess the prospects that were available. This was followed up by the acquisition of a farmout of the Maxhamish property in northeast British Columbia, all in the first quarter of 2009.

Strategic followed this up by bringing in a partner for Maxhamish, to accelerate development of the field. In the fourth quarter, the Corporation acquired the Taber and Conrad properties in Southern Alberta, and at the same time raised \$14.5 million through a private placement to help fund the Taber/Conrad acquisition and development program at Maxhamish. These activities all resulted in higher general and administrative costs and, combined with the lower commodity prices, resulted in negative funds from operations of \$1,685,162 in 2009. This however has set the stage for growth in 2010. The Taber and Conrad properties provide positive cash flow and the equity raise allows the Corporation to develop its Maxhamish play in northeast British Columbia in addition to the Taber and Conrad properties. Strategic is now well positioned as an oil focused company, with all of its 2010 capital program of approximately \$10 million relating to oil development opportunities.

2009 results

The year ended December 31, 2009 showed an increase in production over the comparable period of 2008 due mainly to the acquisition in November of the Taber and Conrad properties in Southern Alberta. Average daily sales volumes increased by 21% to 196 boe/d in 2009 versus 162 boe/d in 2008. Revenues, however, decreased by 27% to \$2,808,080 for 2009 versus \$3,850,281 in 2008. The decrease was the result of a 40% drop in average price per boe's in 2009. The Corporation received an average price of \$39.17 per boe in 2009 versus \$64.75 in 2008.

For the three months ended December 31, 2009 average daily production was 237 boe/d versus 171 boe/d for the third quarter of 2009. Revenues for the fourth quarter of 2009 were \$1,081,829 versus \$503,983 in the third quarter of 2008. The increase in production volumes and revenues were related to the acquisition of the Taber/Conrad properties in November. Production from Taber/Conrad was approximately 130 boe/d from November 13 to the end of the year. The Corporation received an average price of \$49.72 per boe in the fourth quarter of 2009 versus \$32.09 per boe in the third quarter. The price of commodities increased from \$47.84/bbl for oil and NGL's and \$2.96/mcf for natural gas in the third quarter to \$62.25/bbl and \$4.55/mcf in the fourth quarter.

Crude oil prices have increased since the fourth quarter of 2009, with prices currently in the range of \$80/bbl US WTI. Natural gas prices continue to fluctuate and are currently \$4.00/mcf \$US Nymex. Although the natural gas prices remain low, the Corporation will benefit from the increased oil prices, since approximately two-thirds of Strategic's revenue is derived from crude oil or natural gas liquids. For the year ended December 31, 2009, the Corporation had a net loss of \$3,889,318 or \$0.10 per share basic and diluted as compared to a net loss of \$208,122 or \$0.01 per share for the year ended December 31, 2008. The loss in 2009 arises from the reduced commodity prices in 2009 and higher general and administrative expenses that are required as the Company continues to develop its assets and acquire additional properties.

## OUTLOOK FOR 2010

### Summary

Strategic is now well positioned to grow in 2010. Production in March 2010 is in excess of 320 boe/d and with an increase in crude oil prices, now generates positive funds from operations. The cash available from the private placement, plus the cash flow will allow Strategic to drill up to 5 wells in the Taber and Conrad areas, with the opportunity to increase production by up to 500 boe/d.

In addition, the Corporation, with its partner, has drilled 2 wells at Maxhamish in accordance with the Maxhamish Farmout Agreement. These wells are currently being assessed, with results available in the second quarter.

Strategic is in a unique position for a junior/emerging oil and gas company as it is now:

- i) well financed after raising \$14.5 million in the fourth quarter of 2009, with only \$1.5 million of debt,
- ii) evaluating the potential of a significant light oil resource play in Western Canada (Maxhamish), and
- iii) able to significantly increase oil production in the short term as a result of the acquisition, drilling and optimization work at its new Taber and Conrad property.

## Maxhamish

The Maxhamish Farmout Agreement announced previously covers 50,000 contiguous acres of land in northeast British Columbia. In order to meet its commitment under the Farmout Agreement, Strategic and its partner drilled the two wells described above and also undertook an optimization program on the existing wells that will help in understanding the nature of the sands and the extent of the Chinkeh sand. Subject to our contractual partners' confirmation, the Corporation is of the opinion that the March 2010 commitments under the Farmout Agreement have been met.

Strategic and its partner are in the early stages of evaluating the light oil resource play on these lands. Drilling of the two wells was completed by mid-March and the wells were then fracture stimulated using multi-stage fracs. The results of these wells are being assessed and future plans will be determined accordingly. Success in these early wells could potentially open up an extensive regional oil development project, with over 100 drilling locations being possible.

## Taber and Conrad

With the Taber and Conrad properties, Strategic acquired oil properties producing 140 bbls/d, which at current prices can provide annual cash flow of up to \$2.0 million. Strategic's technical team, with its strong sub-surface technical abilities, combined with its past success at adding incremental reserves in mature oil properties, believes there are significant incremental reserves to be recovered. Based on preliminary studies, the Corporation believes there is by-passed pay at Taber from areas that have not been drained by the current well configuration that can be attained by selective drilling. Incremental oil production is expected to be added at Conrad from workovers, pump changes, selective drilling and enhanced recovery methods. Additional seismic and reservoir modeling will determine the locations, but it is anticipated that the drilling of up to five wells at Taber and Conrad, combined with workovers may add up to 500 bbls/d of production in the near term. In addition, Strategic has recently signed a Letter of Intent to bring in a partner to assist in drilling at Taber. The terms of this agreement have the partner paying \$1.6 million to drill two or three wells and earn a 25% interest in the property. This allows Strategic to accelerate the drilling of up to three wells at Taber with the potential to add over 200 bbls/d of production (net), and to maintain its cash for an acceleration of the Maxhamish development program. These Taber wells are planned for the second quarter of 2010.

Strategic has moved quickly to increase its land position in the Conrad area. Strategic has acquired 4,900 acres of land for an average price of \$65.00/acre. This will provide over 10 drilling locations. A horizontal well has been planned for the second quarter of 2010 that can provide over 80 bbls/day of additional production and should lead to additional drilling locations.

The Taber/Conrad acquisition fits well with Strategic's Maxhamish, northeast British Columbia horizontal oil resource play. Maxhamish is currently a winter access only area, so Taber and Conrad, with all year round access will allow for a balanced capital program. In addition, the current cash flow and low risk opportunities to significantly grow production and cash flow will be positive for Strategic.

## 2009 Year-End Reserves

### Highlights

- Proved reserves have increased 60% to 686,000 boe,
- Proved plus probable (P+P) reserves have increased 99% to 1,279,000 boe,
- Finding & development costs, including acquisitions, revisions and changes to future capital, were \$25.39/boe Proved and \$15.71/boe P+P based on audited capital spending of \$7.5 million,
- Replaced production (including acquisition) by 4.7 times on a Proved basis and 9.8 times on a P+P basis,
- Net asset value per share (basic) at Dec. 31, 2009, based on a 10% discount rate was \$0.37.
- Based on the Company's fourth quarter exit production of 300 boe/d, the reserve life index was 6.3 years on a Proved basis and 11.7 years on a P+P basis.

In 2009, the Company completed two wells, one at Harmattan (Caroline 8-16) with a partner and one at Conrad (11-23). The 8-16 well came on production in the fourth quarter of 2009 and has been producing at a facilities restricted rate of 0.8 mmcf/d gross (0.1 mmcf/d net) with extensive liquids. The well produces from the Mannville zone. The Conrad 11-23 was drilled in late December and came on production shortly after at approximately 20 bbls/d. In addition, in November, 2009, the Company acquired a 100% working interest in properties at Taber and Conrad, in Southern Alberta. The Taber property had Proved reserves of 130 mbbbl and P+P reserves of 157 mbbbls. The Conrad property had Proved reserves of 150 mbbbl and P+P reserves of 196 mbbbls. The Company has been able to increase these reserves by the drilling of the Conrad 11-23 well and also by demonstrating that at Taber additional Probable reserves may be obtained through infill drilling and through a comprehensive plan to optimize the waterflood currently in place.

### Reserves

The following tables summarize the Company's reserve information as prepared in accordance with National Instrument "NI" 51-101. The reserves for the Taber, Conrad, Ferrier and Caroline properties in Alberta and the US properties in Wyoming were evaluated by GLJ Petroleum Consultants ("GLJ"). The reserves for the Northwest Alberta properties, including Steen River/Marlowe, Larne, Lessard and Bistcho were evaluated by AJM Petroleum Consultants. All reserves were evaluated using GLJ's January 1, 2010 forecasted pricing.

## Reserves Summary-Company working interest before royalties

	Light/Medium/Heavy Oil	Natural Gas	NGL's	BOE @ 6:1
	Mbbl	MMcf	Mbbl	Mboe
Proved producing	321	1,051	108	604
Total proved	336	1,283	136	686
Proved + Probable	671	2,183	244	1,279

(1) Tables may not add due to rounding

Net Present Value of Future Net Revenues-Prior to provision for income taxes, interest and G&A expenses

Net Present Value of Future Net Revenues before income taxes

(in \$ thousands)	0%	10%	15%
Proved producing	\$16,542	\$11,576	\$10,125
Total proved	\$17,514	\$12,173	\$10,614
Proved + Probable	\$35,063	\$21,105	\$17,513

(1) Values are net of abandonment liabilities.

(2) The net present values of future net revenues may not represent fair market value.

## Price Forecast

The following table summarizes the first five years of the price forecast used to determine future revenues from the Company's reserves:

Year	Exchange Rate \$US/\$Cdn	WTI@Cushing \$US/bbl Crude Oil	Edmonton Light \$Cdn/bbl Crude Oil	AECO Spot \$Cdn/MMBtu Natural Gas
2010	\$0.95	\$80.00	\$83.26	\$5.96
2011	\$0.95	\$83.00	\$86.42	\$6.79
2012	\$0.95	\$86.00	\$89.58	\$6.89
2013	\$0.95	\$89.00	\$92.74	\$6.95
2014	\$0.95	\$92.00	\$95.90	\$7.05

Additional information on the Company's reserves as required by NI 51-101 has been filed on SEDAR ([www.sedar.com](http://www.sedar.com)).

## **About Strategic**

Strategic is a junior oil and gas company with producing properties located in Southern and Central Alberta. Production is currently 340 to 365 boe/d with additional production expected to be brought onstream during the fourth quarter of 2009.

Strategic's highly regarded subsurface technical team is primarily focused on implementing development plans for the Maxhamish project and its southern Alberta properties, while reviewing other high impact prospects in Western Canada and international regions.

For more information, visit our website at [www.sogoil.com](http://www.sogoil.com) or contact:

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### ***Forward-looking information***

Certain information set forth in this document, including management's assessment of future plans and operations, contains forward-looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond our control. Those risks include, without limitation, the effect of general economic conditions, risks associated with oil and gas exploration, development, production, marketing and transportation, loss of markets, industry conditions and competition, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other industry participants, the ability to access qualified personnel and oilfield services, decisions by regulators and the ability to access sufficient capital from internal and external sources. Readers are cautioned not to place undue reliance on the forward-looking statements as the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and actual results, performance or achievements could materially differ from those expressed or implied in such forward-looking statements and accordingly, no assurance can be given that any of the events anticipated by forward looking statements will transpire or occur, or if any of them do so, what benefit Strategic will derive therefrom.

### ***Boe presentation***

Barrel ("bbl") of oil equivalent ("boe") amounts may be misleading particularly if used in isolation. All boe conversions in this report are calculated using a conversion of six thousand cubic feet of natural gas to one equivalent barrel of oil (6 mcf=1 bbl) and is based on an energy conversion method primarily applicable at the burner tip and does not represent a value equivalency at the well head.

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