

Strategic Oil & Gas Ltd. Announces \$5 Million Bought Deal Flow Through Share Financing and Provides Update on Operations

CALGARY, ALBERTA--(Marketwire - Dec. 13, 2010) -

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Strategic Oil & Gas Ltd. (TSX VENTURE:SOG) ("Strategic" or the "Company") provides an update on financing and operations.

Financing

Strategic announces that it has entered into a financing agreement with Macquarie Capital Markets Canada Ltd., to issue and sell on a "bought-deal" basis, 4,500,000 Common Shares to be issued on a flow-through basis (the "Flow-Through Common Shares") at a price of \$1.10 per Flow-Through Common Share, for expected gross proceeds of \$4,950,000.

The Flow-Through Common Share proceeds will be used to incur eligible Canadian exploration expenditures that will be renounced to subscribers effective on or before December 31, 2010. Flow-Through Common Shares will be offered in certain provinces of Canada to accredited investors.

Closing is expected to occur on or about December 23, 2010 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the TSX Venture Exchange.

Operations update

Strategic has recently entered into a farm-in arrangement ("the Farm-in") with an intermediate oil and gas company. The terms of the Farm-in provide for Strategic to drill a minimum of two wells in an oil bearing region of northern Alberta. The first of the two wells was recently spud, with the second location to be drilled before mid-January of 2011. It is anticipated that these wells will qualify as Canadian exploration expenditures.

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About Strategic

Strategic is a junior oil and gas company with producing properties located in Maxhamish, northeast BC and Southern and Central Alberta. The Company recently announced it has entered into an arrangement to acquire a private company with light oil and natural gas assets in northwest Alberta. Production capability is currently 350 boe/d. but is expected to be in excess of 800 boe/d after the closing of the acquisition.

Strategic's highly regarded subsurface technical team is primarily focused on implementing development plans for the Maxhamish project and its southern Alberta properties, while continuing to review other high impact prospects.

Further information with respect to the Company can be found on its website at www.sgoil.com.

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 there from. The Company does not assume the obligation to revise or update this forward-looking information after the date of this release or to revise such information to reflect the occurrence of future unanticipated events, except as may be required under applicable securities laws.

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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12/13/2010