

Strategic Oil & Gas Ltd. Announces Closing of Acquisition of Private Company

CALGARY, ALBERTA--(Marketwire - Dec. 22, 2010) - Strategic Oil & Gas Ltd. (TSX VENTURE:SOG) ("Strategic" or the "Corporation") is pleased to announce that it has completed the previously announced (December 1, 2010) acquisition (the "Acquisition") of the shares of a private company, Steen River Oil & Gas Ltd ("Steen"), for approximately \$10.5 million in cash and share consideration plus the assumption of \$3.5 million in debt for an enterprise value of \$14.0 million. The shareholders of Steen voted unanimously in favour of the Acquisition on December 22, 2010. The shares of Steen were acquired with the issuance of 4,416,545 million shares of Strategic at a deemed price of \$0.90 and \$6,349,162 in cash. Steen is a company with light oil production and lands situated entirely in northwest Alberta.

Summary of the Acquisition of Steen

Through the Acquisition, Strategic is acquiring high quality light oil assets, with a substantial land base and facilities focused in northwest Alberta. Steen's primary asset is an owned and operated light oil field producing from the Keg River zone. Steen is the primary operator in the area with over 110 sections of undeveloped land, oil and natural gas facilities and other infrastructure. This area has been under-exploited to date with minimal seismic or drilling activity.

Current production is approximately 250 boe/d with an additional 250 bbls/d of light oil (34 degree API) shut-in as a result of a pipeline break. Based on 500 boe/d of production, the Acquisition reflects a flowing barrel cost of \$28,000/boe/d. The production is expected to be back on stream in the first quarter of 2011, at which time this Acquisition will add an incremental 500 boe/d of production to Strategic, of which greater than 2/3 is light oil.

About Strategic

Strategic is a junior oil and gas company with producing properties located in Maxhamish, northeast BC, Southern Alberta and now northwest Alberta. 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 Corporation 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 Corporation 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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