

## **Strategic Oil & Gas Ltd. Acquires Significant Land Position at June 1 Crown Land Sale and Provides Update on Steen River Operations**

**CALGARY, ALBERTA--(Marketwire - June 2, 2011)** - Strategic Oil & Gas Ltd. ("strategic" or the "company") (TSX VENTURE:SOG) is pleased to announce results of a June 1, 2011 Alberta Crown land sale and provides an update on Steen River operations.

### **Summary**

- Strategic acquired 38 sections of land (9,728 hectares) contiguous to the current oil production at Steen River. Strategic now has 100% of 58 contiguous sections (14,848 hectares) with multi-zone oil and gas potential around the Steen River Astrobleme.
- Strategic has successfully drilled the first Keg River vertical well at Steen River which has averaged 311 BOPD of 34° API oil.
- Strategic has successfully evaluated the light oil potential in the Sulphur Point and the Muskeg Dolomite by re-completing existing wells and coring a new well.

### **Steen River Land Acquisition**

Strategic's June 1 bid was successful on Crown lands in the Steen River area of Northwest Alberta. The details are as follows:

- Strategic acquired 38 sections of land (9,728 hectares) contiguous to the current Marlowe North and Marlowe West oil production in the Steen River area.
- Lands include all rights to key zonal targets including hydrocarbon bearing zones in the Slave Point, Sulphur Point, Muskeg Dolomite and Keg River.
- Certain of the acquired lands were covered by the Company's extensive 2-D and 3-D seismic program completed this past winter.
- Lands are 100% Strategic working interest.
- Strategic paid \$2.4 million for the lands at approximately \$250 per hectare.
- Lands are in proximity to existing infrastructure including roads, pipelines and the Steen River plant.

### **Results from Steen River First Quarter Drilling Operations**

As previously announced, Strategic drilled, completed and tied-in two 100% working interest Keg River oil wells in mid-April. The 103/10-22-122-21 W5M vertical well was drilled to a depth of 1131 metres and encountered 17 metres of gross pay in the Keg River. The first 30 days of production averaged 311 BOPD of 34° API oil.

The 100/08-22-122-21 W5M vertical well was drilled to a depth of 1108 metres and encountered 7 metres of gross pay in the Keg River. The first 30 days of production averaged 50 BOPD of 34° API oil. The Keg River in 08-22 was found to be a separate accumulation with a 3 metre lower water oil contact.

### **Steen River Multi-zone Potential**

Strategic is positioned to drill and test three separate hydrocarbon accumulations with resumed operations beginning in the third quarter of 2011. Strategic's technical team has analyzed a significant amount of data to identify the productive potential of the lands in the area, including:

- A detailed regional geological study of the area, including Keg River, Muskeg Dolomite, Slave Point and the Sulphur Point;
- Tests on current productive shut-in and producing wells for Sulphur Point, Muskeg Dolomite and Keg River potential;
- Engineering review of logs for all wells in a 50 km radius; and
- Geophysical interpretation of the recent 2-D and 3-D seismic, as well as other proprietary seismic.

Strategic's technical team concludes:

- Strategic has identified 5 drillable Keg River locations for the upcoming drilling operations.

Additional Keg River targets are being assessed from seismic. Sulphur Point Dolomite and the Muskeg Dolomite is regionally extensive over Strategic lands at Steen River. These zones are candidates for horizontal well multi-stage frac technology;

- Slave Point natural gas wells in the area historically have produced at rates of up to 10 mmcf/d. The technical team has identified future Slave Point locations with infrastructure that can handle 35 mmcf/d of gas already in place. This gas can be produced economically at current prices;

"We are extremely excited with the results of the land sale and the light oil and natural gas opportunities that the technical team continues to identify on these lands. Having a 100% owned contiguous 58 section land position provides many opportunities to add value for our shareholders", said Arn Schoch, President and CEO of the Company.

### **About Strategic**

Strategic is a well capitalized junior oil and gas company with an unutilized line of credit, committed to growth by exploiting its light oil assets in Maxhamish, northeast BC and Steen River in northwest Alberta. Strategic's highly regarded subsurface technical team is primarily focused on implementing development plans for its light oil properties, while continuing to review other high impact light oil resource plays. Strategic's common shares trade on the TSX Venture Exchange under the symbol SOG.

***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.*

*Specific forward-looking statements include the following:*

***Steen River program.*** *Specific risks include the allocation of capital to the drilling program and successful results. In addition, much of the area is currently subject to winter access only. Although the Company currently has available funds for these wells, there is no assurance that competing projects may require a re-allocation of funds. The success of these wells and achievement of the projected production is subject to the geologic and operational risks associated with any well.*

***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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6/2/2011