

## Strategic Oil & Gas Ltd. Provides Operational Update

**CALGARY, ALBERTA--(Marketwire - Oct. 9, 2012)** - Strategic Oil & Gas Ltd. ("Strategic" or the "Company") (TSX VENTURE:SOG) is pleased to announce continued drilling success with four new wells at Steen River during 3Q12. Following a strong 2Q12, these new wells put the company on track with meeting its year end exit rate of 3000 BOEPD.

The 2H12 drilling program in Steen commenced in August with plans to drill up to eight wells. Four new vertical wells have now been drilled and cased, with two put on production in early October contributing over 300 BOEPD. The four new wells extend the boundaries of both the Sulphur Point and Keg River pools.

Strategic has shut-in approximately 100 BOEPD of gas from its Larne Gas field during 3Q12. Nearby forest fires and the outage of the Rainbow pipeline has caused Strategic to shut in production at Steen River for a period of approximately two weeks during 3Q12. Due to downtime and the shut-in of gas from its Larne field Strategic estimates the 3Q12 production volume to be down by 20-25%.

Production resumed at Steen River in late September and the current oil production is now above the 2Q12 production rate. Strategic will be transporting oil by rail in 4Q12 which will help to minimize the risks due to future pipeline disruptions.

Strategic is pleased to announce that the company's primary lender, Alberta Treasury Branches ('ATB') has approved an increase to its available revolving operating line of credit from \$38 million to \$48.5 million ahead of the October 31, 2012 review date. Strategic currently has no debt and plans to finance a major portion of the remaining 2012 drilling programs using cash on hand and cash flow. The bank line increase continues to provide Strategic with significant financial flexibility for the remainder of 2012 and into 2013.

### ADDITIONAL INFORMATION

Additional information, including the Company's most recently filed AIF, is available at [www.sogoil.com](http://www.sogoil.com) and at [www.sedar.com](http://www.sedar.com).

### FORWARD-LOOKING STATEMENTS

This news release includes certain information, with management's assessment of Strategic's future plans and operations, and contains forward-looking statements which may include some or all of the following: (i) forecasted capital expenditures and plans; (ii) exploration, drilling and development plans, (iii) prospects and drilling inventory and locations; (iv) anticipated production rates; (v) expected royalty rate; (vi) anticipated operating and service costs; (vii) the Company's financial strength; (viii) incremental development opportunities; (ix) reserve life index; (x) total shareholder return; (xi) growth prospects; (xii) asset disposition plans; (xiii) sources of funding, which are provided to allow investors to better understand the Company's business. By their nature, forward-looking statements are subject to numerous risks and uncertainties; some of which are beyond Strategic's control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, changes in environmental tax and royalty legislation, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources, and other risks and uncertainties described under the heading 'Risk Factors' and elsewhere in the Company's Annual Information Form for the year ended December 31, 2011 and other documents filed with Canadian provincial securities authorities and are available to the public at [www.sedar.com](http://www.sedar.com). 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. The principal assumptions Strategic has made includes security of land interests; drilling cost stability; royalty rate stability; oil and gas prices to remain in their current range; finance and debt markets continuing to be receptive to financing the Company and industry standard rates of geologic and operational success. Strategic's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements or if any of them do so, what benefits that Strategic will derive there from. Strategic disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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