

Strategic Oil & Gas Ltd. Closes Core Area Acquisition

CALGARY, ALBERTA--(Marketwire - Dec. 28, 2012) - Strategic Oil & Gas Ltd. ("Strategic" or the "Company") (TSX VENTURE:SOG) is pleased to announce that it has closed its previously announced acquisition of certain assets in Strategic's core area at Steen River, Alberta, (the "Acquisition"), for cash consideration of approximately \$23.6 million, effective as of December 1, 2012.

SUMMARY OF THE ACQUISITION

Strategic acquired a 100% working interest in 340 boe/d (83% light oil) of production and over 26 net sections of highly prospective land contiguous to Strategic's land position at Steen River. The Acquisition also includes significant pipelines, facilities and roads that are strategic to the Company and provides an immediate increase in efficiencies in current operations, coupled with a decrease in future infrastructure capital costs. The infrastructure assets include:

- Pipeline and off-loading station at the Mackenzie Highway, resulting in an immediate reduction in trucking costs and accelerating the full implementation of the Company's takeaway capacity by rail.
- Pipeline and water disposal capabilities at the West Marlow Field, resulting in an immediate reduction in trucking costs.
- 16 km of all-weather road, allowing unrestricted access to additional projects.

The acquired infrastructure and facilities between Strategic's plant and the existing rail line will allow for an accelerated development of a private rail terminal. Furthermore, the acquired facility synergies within the field will reduce Strategic's anticipated 2013 capital spending allocated to infrastructure and facilities by over \$12 million.

Key attributes of the Acquisition are as follows:

- Light oil production(1): 280 boe/d
- Associated natural gas production(1): 240 mcf/d
- Total production(1): 340 boe/d (88% light oil)
- Proved plus probable reserves(2): 1.7 mmboe (83% light oil)
- Land: 16,731 net acres (1,328 undeveloped acres)
- 3D seismic
- Infrastructure: Pipeline, disposal well, roads, offloading station

The transaction metrics are as follows:

- Current Production: \$69,411 per producing boe
- Proved Plus Probable Reserves: \$13.59 per boe
- Recycle Ratio: 3.1 times

1. *Based on forecasted average volumes for January 2013, (includes ~140 boe/d (50% oil) of restricted production due to vendor's lack of gas handling facilities)*
2. *Internal estimates based on October 2012 McDaniel's price deck*

EXPANDED CREDIT FACILITY

Strategic has been advised that all approvals have been obtained in respect to a term sheet with a banking institution pursuant to which its revolving borrowing base will be increased to \$100 million. This increase will allow Strategic to continue to develop its asset base at Steen River. Strategic expects to exit 2012 with net debt of approximately \$34 million, providing the Company with significant balance sheet strength to execute its 2013 capital program.

ABOUT STRATEGIC

Strategic is a well-capitalized junior oil and gas company committed to growth by exploiting its light oil assets in Canada. Strategic 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.

ADDITIONAL INFORMATION

Additional information, including the Company's most recently filed AIF, is also available at www.sogoil.com and at 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; and (xii) sources of funding, including an increased debt facility, 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. 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.

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

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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