

Strategic Oil & Gas Ltd. Provides Operational Update and Announces New Board Member

CALGARY, ALBERTA--(Marketwired - Sept. 15, 2014) - Strategic Oil & Gas Ltd. ("Strategic" or the "Company") (TSX VENTURE:SOG) announces that two recently completed Muskeg wells produced at a combined rate of 1,587 boe/d (83% oil). Strategic is also pleased to announce the addition of Mr. Michael Graham as an independent member to the Company's board of directors.

Two west Muskeg wells 15-24 and 1-25 were recently brought on production and are free flowing oil wells. Over the last three days of the production test, well 15-24 produced at an average daily rate of 848 boe/d (81% oil) and well 1-25 produced at an average daily rate of 614 boe/d (88% oil). The two wells have recovered approximately 30% of the load fluid and are still cleaning up. The combined daily test rate for the two wells over the last 24 hours was 1,587 boe/d (83% oil).

Muskeg well 11-24 has produced 29,000 boe in the first 51 days with limited decline. Corporate production excluding the two new Muskeg wells is 3,500 boe/d. The two new Muskeg wells (15-24, 1-25) have added flush production increasing current corporate production to over 4,600 boe/d. Two north Muskeg wells (2-26 and 14-23) have been drilled and completed and a west Muskeg well (1-23), is currently being drilled. Strategic plans to drill up to six additional wells during the fourth quarter of 2014.

Strategic continues to realize drilling efficiencies with the five wells drilled averaging 17 days per well. The Company is executing on its cost reduction strategy with its most recent wells averaging \$3.7 million. Strategic continues to target 25% production growth with a continuous one rig capital program, drilling up to 23 wells in 2015 and will provide more formal guidance once the annual budgeting process is complete.

ADDITION OF BOARD MEMBER

Strategic also announces that Michael Graham has joined the Board of Directors of Strategic subject to regulatory approval.

Mr. Michael Graham has more than 30 years of experience in the oil and natural gas business. Most recently he held the position of Executive Vice President & President Canadian Division with EnCana Corporation until February 2012. Mr. Graham has held various executive and management positions with Alberta Energy Company, Amber Energy Inc. and EnCana Corporation. Additionally, he has served as a member of the Board of Governors for the Business Council of British Columbia and the Canadian Association of Petroleum Producers. Mr. Graham is a graduate of the University of Wyoming with a Bachelor of Science degree in Petroleum Engineering and is a member of APEGGA and the Society of Petroleum Engineers. He is currently the chairman of privately held Saguario Resources Ltd. and on the board of directors of TSX-listed Long Run Exploration.

Management Comments

Gurpreet Sawhney, President and CEO of Strategic Oil & Gas said: "We are delighted to welcome Mike Graham in his new capacity to Strategic. Mike is a highly respected oil professional. He brings a wealth of experience having lead Encana through its significant growth phase in Canada. We have a well-respected board of directors to guide Strategic through its own growth phase to a premier oil producer."

ABOUT STRATEGIC OIL & GAS

Strategic is a junior oil and gas company with a dominant land position of 500,000 acres in Canada. The Company is committed to building a premier oil producer through its high-quality, concentrated reserve base, and constructing an operated integrated sales infrastructure to support the Company's significant future growth. Strategic's common shares trade on the TSX Venture Exchange under the symbol SOG.

ADDITIONAL INFORMATION

Additional information, including the Company's recently updated corporate presentation, is also available at www.sogoil.com and at www.sedar.com.

Reader Advisories

Any references in this news release to initial flow-back or raw test or production test rates are useful in confirming the presence of hydrocarbons, however, such rates are not necessarily determinative of the rates at which such wells will commence production. These flow-back or test results are quoted on a raw basis before shrinkage on natural gas volumes and may not be indicative of long-term well performance or ultimate recovery. Natural gas production volumes include shrinkage. While encouraging, readers are cautioned not to place reliance on such rates in estimating the aggregate production for the Company.

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) anticipated production rates; (ii) production from new wells; (iii) exit production rates; (iv) anticipated completion of wells drilled and (v) the effect of changes in drilling techniques; 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, 2013 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. Actual results could differ materially from those expressed in, or implied by, these forward-looking statements. 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.

Basis of Presentation

This discussion and analysis of Strategic's oil and natural gas production and related performance measures is presented on a working-interest, before royalties basis. For the purpose of calculating unit information, the Company's production and reserves are reported in barrels of oil equivalent (Boe) and Boe per day (Boe/d). Boe may be misleading, particularly if used in isolation. A Boe conversion ratio for natural gas of 6 Mcf: 1 Boe has been used, which is based on an energy equivalency conversion method primarily applicable at the burner tip and does not necessarily represent a value equivalency at the wellhead. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

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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