

## Strategic Oil & Gas Ltd. Closes Upsized \$94.8 Million Financing

CALGARY, ALBERTA--(Marketwired - Feb 29, 2016) - Strategic Oil & Gas Ltd. ("Strategic" or the "Company") (TSX VENTURE:SOG) Strategic is pleased to announce the upsizing and closing of the private placement financing of 94,851 secured Convertible Notes (the "Notes") at a price of \$1,000 per Note, for aggregate gross proceeds of \$94,851,000 (the "Offering"). Insiders, including officers, employees and directors of the Company, subscribed for a significant portion of the Offering. The Company also received support from existing and new institutional investors.

The proceeds from the Offering are being used to repay the Corporation's existing credit facilities, the bridge loan from its major shareholder and provide funding for the winter capital program. The Company has approximately \$25 million of cash which will fund ongoing working capital and for general corporate purposes.

The Notes rank as senior secured notes, and have a 5-year term, bear interest at 8% payable semi-annually (subject to, at the Company's option, being paid-in-kind in equivalent Notes for the first two years) and are convertible into common shares of the Company at a price of \$0.09 per share (the "Conversion Price"). In addition, the Notes will be callable (i) any time if the 90-day volume weighted average trading price of the underlying shares exceeds 400% of the Conversion Price; or (ii) after the 4th anniversary of issuance, regardless of share price, at par plus accrued and unpaid interest plus the nominal value of remaining interest from the effective date of redemption to the maturity date.

The Offering constitutes a "related party transaction" within the meaning of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101") and Strategic has relied on the financial hardship exemption in sections 5.5(g) and 5.7(e) of MI 61-101 in respect of the valuation and minority approval requirements therein, respectively.

The transaction provides Strategic with financial flexibility through the current low commodity price environment and positions the Company to create long-term value for its shareholders. RBC Capital Markets acted as sole agent for the Offering and continues to act as financial advisor to the Company. Cormark Securities Inc. and Dundee Capital Markets Ltd. acted as strategic advisors to the Company on this transaction.

### ADDITIONAL INFORMATION

Additional information is also 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) anticipated production rates; (ii) expected operating and service costs; (iii) expected capital spending; (iv) the Company's financial strength and capitalization; (v) estimates of reserves; (vi) expected use of proceeds from the private placement; 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, 2014 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.

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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