

Strategic Oil & Gas Ltd. Tests Recent Muskeg Well at 1,263 boed

CALGARY, ALBERTA--(Marketwired - Nov 1, 2016) - Strategic Oil & Gas Ltd. ("Strategic" or the "Company") (TSX VENTURE:SOG) is pleased to provide an update on the Company's current drilling activities.

- Strategic has drilled its first four well pad in the development corridor at West Marlowe. The recent Muskeg horizontal well 2-13 has an average rate of 1,263 boe/d over the last 24 hours on test and has produced over 7,400 boe (54% oil) over the past 7 days. The well is currently flowing 685 bbl/d of 36°API light oil and 3.5 MMcf/d of raw natural gas while choked back to approximately a 30% drawdown rate.
- The 2-13 well is tied in and flowing into Strategic's sales pipeline. It is approximately 3 miles from the Muskeg horizontal well 14-35 which was drilled and tested at 1,060 boe/d in the first quarter of 2016.
- Production results from the 2-13 and 14-35 wells are encouraging and demonstrate repeatability in the large areal extent of the of the Muskeg play. Strategic has now tied in the first of the five Muskeg wells drilled in this prolific zone at West Marlowe, where the company has identified seventeen additional locations for near-term drilling.

The Company achieved further drilling efficiencies with longer horizontal laterals and completed additional stages per well to increase production performance. The wells were drilled 500 meters longer with an average lateral length of 1,900 meters and completed with 20 stages. Strategic is in the process of finishing completions on the recently drilled four well pad and will provide results as the wells come on line.

Repeatability of well performance through the drilling and completion techniques used by Strategic in the development of this high impact play will remain a key focus. In addition to improving production performance, the Company is also realizing cost savings relative to budget due to reductions in drilling days and economies of scale related to four well pad development.

ABOUT STRATEGIC

Strategic is a junior oil and gas company committed to growth by exploiting its light oil assets in Canada. Strategic's common shares trade on the TSX Venture Exchange under the symbol SOG.

ADDITIONAL INFORMATION

Additional information is also available at www.sogoil.com and at www.sedar.com.

Test Production Rates

Any references in this press release to initial or test production rates are useful in confirming the presence of hydrocarbons, however such rates are not determinative of the rates at which such wells will continue production. While encouraging, readers are cautioned not to place reliance on such rates in calculating aggregate production. Initial production or test rates are not necessarily indicative of long-term performance of the relevant well or fields or of ultimate recovery of hydrocarbons. Test volumes are quoted on a raw basis before shrinkage on natural gas volumes. Total corporate production volumes include natural gas shrinkage

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 costs, cost savings and results of capital programs; (iii) future capital programs and drilling activities and the timing thereof; (iv) effect of drilling and completions techniques on efficiency and performance; and (v) repeatability of production performance; 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, 2015 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; finance and debt markets continuing to be receptive to financing the Company, the ability of the Company to monetize non-core assets 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.

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