



Not for Distribution in the United States Newswire services or for dissemination in the United States

### **Palliser enters into Financing Arrangement for up to \$10 million**

February 12, 2010, Calgary, Alberta – **Palliser Oil & Gas Corporation** ("**Palliser**" or the "**Corporation**") (**TSX VENTURE:PXL**) is pleased to announce that it has entered into a financing agreement with a group of agents led by Jennings Capital Inc. (the "**Agents**") for gross proceeds of up to \$10 million through the sale of Special Warrants. The Special Warrants will be priced in the context of the market.

The Special Warrants will be offered on a private placement basis to Canadian residents who are exempt purchasers under applicable securities laws, and may be offered in the United States and Europe on a private placement basis pursuant to exemptions from applicable legal requirements, including registration requirements in of the *United States Securities Act of 1933*, as amended. The Special Warrants, as well as the common shares issuable upon the exercise of Special Warrants, will be subject to a four month hold period under applicable securities laws.

The Special Warrants will be automatically exercised for common shares on the earlier of: (i) the business day after the date on which a receipt has been issued by applicable Canadian securities regulatory authorities for a final prospectus qualifying the distribution of the common shares issuable upon exercise of the Special Warrants; and (ii) 120 days following the closing date.

The offering is being undertaken on a fully marketed basis by the Agents. The Agents will be paid a commission of 6.5% of the gross proceeds from the sale of Special Warrants. Completion of the offering is subject to the Corporation and the agents entering into a formal agency agreement as well as receipt of the approval of the TSX Venture Exchange and other customary closing conditions.

Palliser intends to use the net proceeds from the offering to fund its 2010 heavy oil drilling and reactivation program, future property acquisitions and for general corporate purposes.

The offering is scheduled to close on or about March 10, 2010.

### **About Palliser**

Palliser is a Calgary-based emerging junior oil and gas company currently focused on high netback conventional heavy oil production in the greater Lloydminster area of both Alberta and Saskatchewan.

## **Cautionary Statements**

Certain information contained in this press release constitutes forward-looking statements, including, without limitation, the Corporation management's assessment of future plans and operations, anticipated exploration and development opportunities, drilling inventory and wells to be drilled, capital expenditures and the timing thereof, drilling programs and drilling efficiencies, the quantity of undeveloped land and drilling locations and inventory, operating costs, debt levels, credit facilities. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond the party's control including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, environmental risks, 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, inability to meet or continue to meet listing requirements, the inability to obtain required consents, permits or approvals and the risk that actual results will vary from the results forecasted and such variations may be material. 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 Corporation's actual results, performance or achievement could differ materially from those expressed in or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits the Corporation will derive therefrom.

The forward-looking statements contained in this press release are made as of the date of this press release. Palliser disclaims any intention and assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Additionally, Palliser undertakes no obligation to comment on the expectations of, or statements made by, third parties in respect of the matters discussed above.

***The TSX Venture Exchange has neither approved nor disapproved the contents of this press release.***

***For further information please contact:***

Kevin Gibson  
President and CEO  
kevin@palliserogc.com  
(403) 209-5717

or Carrie McLauchlin  
Vice President, Finance and CFO  
carrie@palliserogc.com  
(403) 209-5718

***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 Press release.***