



For Immediate Release

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Palliser Closes Special Warrant Financing

March 9, 2010, Calgary, Alberta – **Palliser Oil & Gas Corporation** ("**Palliser**" or the "**Corporation**") (TSXV:PXL) confirms that it has completed its previously announced offering of 12,665,000 special warrants ("**Special Warrants**"). Palliser issued 12,665,000 Special Warrants at a price of \$0.80 per Special Warrant resulting in gross proceeds to the Corporation of \$10,132,000. The financing was led by Jennings Capital Inc. and includes Dundee Securities Corporation (the "**Agents**").

Each Special Warrant will entitle the holder to receive one common share (a "**Common Share**") of Palliser on the exercise or deemed exercise of the Special Warrant. The Special Warrants are exercisable by holders at any time and for no additional consideration. All unexercised Special Warrants will be deemed to be exercised without further action on the part of a holder on the earlier of: (a) four months and a day following the Special Warrant closing, and (b) one business day after the date on which a receipt is issued for a final prospectus by the securities regulatory authorities in each of the provinces where the Special Warrants were sold qualifying the Common Shares issuable upon the exercise of the Special Warrants. Palliser shall use its commercially reasonable best efforts to obtain such a receipt as soon as practicable. Until the receipt is issued for such prospectus, the Special Warrants as well as the Common Shares issuable upon exercise thereof, will be subject to a four month hold period from March 9, 2010 under applicable Canadian securities laws.

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

Palliser now has 21,703,348 Common Shares and 12,665,000 Special Warrants issued and outstanding.

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.

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