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Palliser Reports 2009 Fourth Quarter and Year End Financial and Operating Results

April 22, 2010, Calgary, Alberta – **Palliser Oil & Gas Corporation** ("**Palliser**" or the "**Company**") (**TSX VENTURE:PXL**) is pleased to report the financial and operating results for the three months and year ended December 31, 2009. Certain selected financial and operational information are set out below and should be read in conjunction with Palliser's audited financial statements complete with the notes to the financial statements and related MD&A which is available on www.sedar.com or the Company's website at www.palliserogc.com.

The Company achieved the following milestones during 2009:

- Increased production 810% from 50 boe/d at the end of 2008 to 455 boe/d (75% heavy oil) in the last week of December.
- More than doubled year end Proved plus Probable reserves from 649 Mboe equivalent to 1,424 Mboe equivalent.
- Achieved positive cash flow in the fourth quarter.
- Initiated the process to take the Company public by filing the preliminary non-offering prospectus in December 2009.
- Increased the Company's credit facility from \$2 million to \$3 million based on successful drilling results.
- Drilled seven (7.0 net) wells on Company lands. Six wells in the greater Lloydminster area were all completed as heavy oil wells, with five being placed on production and one well suspended until after the 2010 spring break up, due to high sand production. One well at Medicine Hat was completed as an oil well, with equipping and production start up delayed until after the 2010 spring break up.
- Re-activated one (1.0 net) heavy oil well on Company lands in the greater Lloydminster core area.
- Added approximately 100 boe/d through property acquisitions in the Lloydminster and Medicine Hat core areas.

Reserves

Palliser's independent engineers more than doubled the reserves assigned to our properties, with Proved and Probable reserves increasing from 649 Mboe at the end of 2008 to 1,424 Mboe at the end of last year. The value of the reserves saw a similar increase from \$10.4 million to \$28.7 million for the comparative periods, while the Company's calculation of net asset value increased from \$0.98 per share to \$1.38 per share at the end of 2009 (see the Company's MD&A for the calculation).

Highlights

	Three months ended		Years ended	
	December 31,		December 31,	
	(unaudited)		(audited)	
	2009	2008	2009	2008
Operations				
Production				
Oil – bbl/d	227	-	75	9
Gas – mcf/d	569	316	560	404
Total – boe/d	322	53	168	76
Realized prices				
Oil - \$/bbl	\$ 61.16	\$ n/a	\$ 60.81	\$ 79.34
Gas - \$/mcf	\$ 3.90	\$ 6.83	\$ 3.25	\$ 7.93
Operating netback - \$/boe ⁽¹⁾	\$ 21.66	\$ 4.01	\$ 12.22	\$ 27.33
Financial (\$000 except per share)				
Production revenue	\$ 1,479	\$ 191	\$ 2,328	\$ 1,415
Funds flow from operating activities ⁽¹⁾	\$ 71	\$ (530)	\$ (921)	\$ (500)
Per share – basis	\$ 0.00	\$ (0.03)	\$ (0.04)	\$ (0.03)
Net loss	\$ (713)	\$ (444)	\$ (2,328)	\$ (745)
Per share – basis	\$ (0.03)	\$ (0.02)	\$ (0.11)	\$ (0.05)
Capital expenditures	\$ 2,368	\$ 704	\$ 7,978	\$ 5,475
Shares outstanding			21,703,348	21,128,388
Fully diluted shares outstanding			23,929,848	22,954,888
Weighted average shares outstanding			21,335,356	16,528,657
Net debt ⁽¹⁾			\$ (2,200)	\$ 6,752
Shareholders' equity			\$ 15,318	\$ 17,556

⁽¹⁾ Funds flow from operating activities is a non-GAAP measure that represents net loss before non-cash items such as depletion, depreciation and accretion, stock-based compensation and future income tax. The inclusion of changes in non-cash working capital and asset retirement expenditures results in cash flow from operating activities on the statements of cash flows. Per share amounts are calculated using weighted average shares outstanding consistent with the calculation of net loss per share. Funds flow from operating activities is a key measure as it demonstrates the Company's ability to generate the funds necessary to achieve future growth through capital investment. Other entities may calculate these figures differently than Palliser. This table also contains other industry benchmarks and terms, such as net debt (calculated as current assets less current liabilities) and operating netbacks (calculated on a per unit basis as production sales less royalties, transportation and operating costs), which are not recognized measures under GAAP. Management believes these are useful supplemental measures of, firstly, the total net position of current assets and current liabilities the Company has and secondly, the profitability relative to commodity prices.

2010 Outlook

In early March the Company closed an equity financing at \$0.80 a share for gross proceeds of \$10.1 million (\$9.3 million net of transaction costs). In addition, the Company's credit facility was increased to \$3.75 million, which can be increased to \$4.2 million without further review based on production results of certain newly drilled wells. We now have the ability to finance a \$12 million heavy oil program to drill 13 (13.0 net) wells, reactivate one (1.0 net) well and complete a \$2 million asset acquisition. The 2010 capital spending program commenced in the first quarter with the drilling of two (2.0 net) wells and reactivation of one (1.0 net) well on the Alberta side of the border in the greater Lloydminster core area. All three wells have been completed as heavy oil wells and are currently in the early stages of production, with promising results so far. Palliser expects to drill four (4.0 net) and reactivate two (2.0 net) wells after spring break up and finish the balance of the work on this program by the end of September, with production ramping up through the fourth quarter. Based on completing the \$12 million capital program, exit production for 2010 is forecasted to be 1,100 - 1,250 boe/d and average production for the year to be 650 - 750 boe/d.

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.

Production volumes are commonly expressed on a barrel of equivalent ("BOE") basis whereby natural gas volumes are converted at a ratio of six thousand cubic feet to one barrel of oil. The intention is to

convert oil and natural gas measurement units into one basis for improved analysis of results and comparisons with other industry participants. The term BOE may be misleading, particularly if used in isolation. The conversion ratio is based on an energy equivalent method and does not necessarily represent an economic value equivalency at the wellhead.

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

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