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Palliser Oil & Gas Corporation Reports 2010 Second Quarter Financial and Operating Results

August 10, 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 and six months ended June 30, 2010. Certain selected financial and operational information are set out below and should be read in conjunction with Palliser's quarterly 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.

HIGHLIGHTS

Three and six months ended June 30, 2010 and 2009 (unaudited)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2010	2009	2010	2009
Operating				
Wells drilled (net wells)				
Oil	4	-	6	-
Natural gas	-	-	-	-
Dry holes	-	-	-	-
Total	4	-	6	-
Success (%)	100%	-	100%	-
Undeveloped land holdings (net acres)	39,349	40,093	39,349	40,093
Average daily production				
Crude oil (bbl per day)	473	-	389	2
Natural gas (Mcf per day)	377	679	419	540
Barrels of oil equivalent (boe per day, 6:1)	536	113	459	92

Average sales prices

Crude oil (\$ per bbl)	\$	60.38	\$	-	\$	62.08	\$	39.92
Natural gas (\$ per Mcf)	\$	3.78	\$	3.05	\$	4.24	\$	3.42
Barrels of oil equivalent (\$ per boe, 6:1)	\$	55.97	\$	18.30	\$	56.53	\$	20.88

Operating netback(\$ per boe)

Petroleum and natural gas revenue	\$	55.97	\$	18.30	\$	56.53	\$	20.88
Royalties	\$	14.47	\$	0.29	\$	14.05	\$	0.46
Operating expenses	\$	16.28	\$	10.78	\$	18.37	\$	14.60
Transportation expenses	\$	0.86	\$	-	\$	0.84	\$	-
Operating netback ⁽³⁾	\$	24.36	\$	7.23	\$	23.27	\$	5.82

Financial

Petroleum and natural gas revenue	\$	2,727,988	\$	188,161	\$	4,659,731	\$	345,763
Funds flow from operating activities ⁽²⁾	\$	371,258	\$	(296,047)	\$	611,029	\$	(773,389)
Net Loss and comprehensive loss	\$	(1,096,084)	\$	(546,384)	\$	(1,698,342)	\$	(964,647)
Per share – basic and diluted	\$	(0.03)	\$	(0.03)	\$	(0.06)	\$	(0.05)
Weighted average shares outstanding		34,368,348		21,159,870		29,470,282		21,153,434
Shares outstanding		34,368,348		21,159,870		34,368,348		21,159,870
Capital expenditures	\$	2,786,191	\$	477,092	\$	4,825,896	\$	2,020,785
Working capital	\$	2,745,234	\$	4,056,274	\$	2,745,232	\$	4,056,274
Shareholder's equity	\$	22,837,561	\$	16,113,991	\$	22,837,561	\$	16,113,991

⁽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 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 working capital (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 and secondly, the profitability relative to commodity prices.

⁽²⁾ Excludes non-cash items totaling \$475,234 for the three month period ended June 30, 2010 (June 30, 2009 – (\$64,182)) and \$317,581 for the six month period ended June 30, 2010 (June 30, 2009 - \$97,999).

⁽³⁾ Operating netback is a non-GAAP measure and is the net of revenue, royalties, operating and transportation expenses.

Report to Shareholders

Palliser Oil & Gas Corporation (“Palliser” or the “Company”) is pleased to report to shareholders the Company’s activities in the second quarter of 2010. During the quarter, Palliser drilled 4 (4.0 net) oil wells with a success rate of 100%. Palliser achieved record quarterly production levels during the second quarter of 2010 with continued production growth.

Production during the quarter averaged 536 boe/d, an increase of 374% from 113 boe/d in the second quarter of 2009. Palliser continued quarter over quarter production growth. Production in the second quarter was higher by 40% from the first quarter average of 382 boe/d. Production in the second quarter was weighted 88% to crude oil with strong operating netbacks.

The Company continues its focus on its heavy oil prospects in the greater Lloydminster area. Four wells were drilled in June. These wells were successfully completed, equipped, and brought on production in late July. The Company’s second quarter drilling results should result in significant production gains in the third quarter as these wells are brought on production.

During the second quarter, the Company accumulated additional undeveloped land at 100% working interest in the greater Lloydminster area and continued seismic programs to delineate and identify additional drilling and reactivation opportunities.

Outlook

The Company’s capital program includes the drilling of an additional 4 wells and the reactivation of 2 wells in the third quarter, and the drilling of 5 wells planned for the fourth quarter. This capital program is forecasted to have continued quarter over quarter production growth in 2010. The Company maintains a strong balance sheet and is currently debt free with a positive working capital balance of \$2.7 million at the end of the second quarter. The Company will maintain a strong balance sheet and is on track with guidance for yearly production average between 650 to 750 boe/d and 2010 exit production of between 1,100 to 1,250 boe/d. Estimated average production for July was approximately 585 boe/d, with additional production growth expected from the wells drilled in June.

On behalf of the Board of Directors,

“Signed”
Kevin Gibson

President and Chief Executive Officer

August 10, 2010

For further information regarding Palliser Oil & Gas Corporation, the reader is invited to visit the Company's website at www.palliserogc.com.

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 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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