

Palliser Oil & Gas Completes Financings for Gross Proceeds of Approximately \$7.0 Million

TSX VENTURE SYMBOL: PXL

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Palliser Oil & Gas Corporation (TSX VENTURE:PXL) ("**Palliser**" or the "**Company**"), is pleased to announce that it has completed its previously announced bought deal financing, pursuant to which Palliser issued an aggregate of 9,047,700 common shares (the "**Common Shares**") at a price of \$0.63 per Common Share and 1,039,000 flow-through shares (the "**Flow-Through Shares**") at a price of \$0.77 per flow-through share for aggregate gross proceeds of approximately \$6.5 million ("the **Offering**"). The syndicate of underwriters for the Offering was led by PI Financial Corp. and included Casimir Capital Ltd., Dundee Securities Ltd., Jennings Capital Inc., Fraser Mackenzie Limited and Paradigm Capital Inc. The Offering was completed by way of a short form prospectus.

In addition, the Company has completed its previously announced non-brokered private placement financing of 650,000 Flow-Through Shares at the same issue price as the brokered Offering of \$0.77 per Flow-Through Share, for aggregate gross proceeds of \$500,500 (the "**Private Placement**").

The net proceeds from the issuance of Common Shares under the Offering will be used by Palliser to initially reduce bank indebtedness, fund the capital expenditures of the Company, and for general corporate purposes. Proceeds from the issuance of Flow-through Shares under the Offering and the Private Placement will be used by Palliser to incur Canadian exploration expenses (the "**Qualifying Expenditures**") prior to December 31, 2012. The Company will renounce the Qualifying Expenditures to subscribers of the Flow-through Shares for the fiscal year ended December 31, 2011.

About Palliser Oil & Gas Corporation

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.

Forward-Looking Statements

Certain information regarding the Company in this news release including the anticipated use of the proceeds of the Offering and the Private Placement may constitute forward-looking statements under applicable securities laws. Although Palliser believes that the expectations

reflected in these forward looking statements are reasonable, undue reliance should not be placed on them because Palliser can give no assurance that they will prove to be correct. Since forward looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. The intended use of the net proceeds of the Offering by Palliser might change if the board of directors of Palliser determines that it would be in the best interests of Palliser to deploy the proceeds for some other purpose.

The forward looking statements contained in this press release are made as of the date hereof and Palliser undertakes no obligation to update publicly or revise any forward looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

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

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