

Palliser Oil & Gas Announces Increase in Equity Financing

CALGARY, ALBERTA--(CNW Group - December 6, 2011) -

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In connection with its previously announced public offering, Palliser Oil & Gas Corp. ("**Palliser**" or the "**Company**") (TSX-V:PXL) is pleased to announce that it, along with a syndicate led by PI Financial Corp., (the "**Underwriters**"), has agreed to increase the size of the offering (the "**Offering**"). Under the revised terms, the Underwriters have agreed to issue and sell on a "bought deal" basis, 9,047,700 common shares of Palliser (the "**Common Shares**") at an issue price of \$0.63 per Common Share resulting in gross proceeds of \$5,700,051 and 1,039,000 flow-through common shares of Palliser (the "**Flow-through Shares**") at an issue price of \$0.77 per Flow-Through Share resulting in gross proceeds of \$800,030, for total gross proceeds of \$6,500,081.

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 will be used by Palliser to incur Canadian exploration expenses (the "**Qualifying Expenditures**") prior to December 31, 2012. Palliser will renounce the Qualifying Expenditures to subscribers of the Flow-through Shares for the fiscal year ended December 31, 2011.

The Offering is scheduled to close on or about December 23, 2011 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals, including the approval of the TSX Venture Exchange, and other applicable securities regulatory authorities.

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 timing and completion of the Offering 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.

FOR FURTHER INFORMATION PLEASE CONTACT:

Palliser Oil & Gas Corporation

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

or

Allan B. Carswell
Vice President, Exploration & COO
(403) 209-5709
al@palliserogc.com

or

Ivan J. Condic
Vice President, Finance & CFO
(403) 209-5718
ivan@palliserogc.com

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