



*NOT FOR DISTRIBUTION TO US NEWSWIRE SERVICES OR FOR DISSEMINATION TO THE UNITED STATES*

**December 9, 2011**

### **Palliser Oil & Gas Announces Private Placement**

**Calgary, Alberta** — Palliser Oil & Gas Corporation (**TSX-V:PXL**) ("**Palliser**" or the "**Company**"), is pleased to announce that, in addition to its previously announced offering on a "bought deal" basis of common shares (the "**Common Shares**") of Palliser (the "**Brokered Common Shares**") and Common Shares to be issued on a "flow-through" basis pursuant to the *Income Tax Act* (Canada) (the "**Brokered Flow-Through Shares**") for aggregate gross proceeds of \$6,500,081 (the "**Brokered Offering**"), the Corporation intends to issue, on a non-brokered, private placement basis, up to an additional 650,000 Common Shares on a "flow-through" basis pursuant to the *Income Tax Act* (Canada) (the "**Non-Brokered Flow-Through Shares**") at an issue price of \$0.77 per Non-Brokered Flow-Through Share, for aggregate proceeds of \$500,500 (the "**Private Placement**").

It is expected that insiders of the Company will subscribe for approximately 40% of the Non-Brokered Flow-Through Shares pursuant to the Private Placement. Although such subscriptions fall within the definition of a "related party transaction" pursuant to Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), there is an available exemption from the formal valuation and securityholder approval requirements of MI 61-101.

The price of the Non-Brokered Flow-Through Shares is the same as the price of the Brokered Flow-Through Shares and the Private Placement is expected to close concurrently with the Brokered Offering on December 23, 2011, but no later than December 31, 2011.

The Private Placement is subject to certain conditions including, but not limited to, the receipt of all necessary approvals, including the approval of the TSXV, 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 timing and completion of the Brokered 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 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:***

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

***Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this Press release.***