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## **Palliser Oil & Gas Announces \$10 Million Bought Deal Financing**

**CALGARY, ALBERTA**

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Palliser Oil & Gas Corporation (**TSX VENTURE:PXL**) ("Palliser" or the "Company"), is pleased to announce that it has entered into an agreement with a syndicate of underwriters led by Dundee Securities Ltd. and including Casimir Capital Ltd., Jennings Capital Inc., Wellington West Capital Markets Inc., Acumen Capital Finance Partners Limited and P.I. Financial Corp. (collectively, the "Underwriters"), to issue 5,264,000 Special Warrants of the Company (the "Special Warrants") at a price of \$1.90 per Special Warrant for gross proceeds of \$10,001,600 on a bought deal private placement basis (the "Offering") in the Provinces of Canada (and will also be offered in the United States on a private placement basis pursuant to an exemption from the registration requirements of the United States Securities Act of 1933, as amended). The Company has also granted the Underwriters an option (the "Underwriters' Option") to increase the size of the Offering by up to an additional 789,600 Special Warrants, such Underwriters' Option being exercisable at any time up to 48 hours prior to the closing of the Offering. If the Underwriters' Option is exercised in full, the aggregate gross proceeds raised will be approximately \$11.5 million.

Each Special Warrant will be exercisable for one common share (a "Common Share") in the capital of the Company for no additional consideration at any time after the closing of the Offering and all unexercised Special Warrants will be deemed to be exercised on the earlier of (a) the date that is four months and a day following Closing, and (b) the first business day after a receipt (a "Receipt") is issued for a final prospectus (the "Final Prospectus") by the securities and regulatory authorities in the qualifying jurisdictions.

The Company has agreed to use its best efforts to file the Final Prospectus and obtain a Receipt. In the event that a Receipt is not obtained prior to the date that is 30 days following the closing of the Offering, each Special Warrant shall thereafter be exercisable into 1.1 Common Shares.

The net proceeds of the Special Warrants will be used to reduce bank indebtedness, fund the Company's capital program and for general corporate purposes.

The Offering is scheduled to close on or about March 15, 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.*

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.

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