



For Immediate Release

Not for Distribution to United States Newswire services or for dissemination in the United States

Palliser Provides Mid-Quarter Operations Update

September 16, 2010, Calgary, Alberta – **Palliser Oil & Gas Corporation** ("Palliser" or the "**Corporation**") (TSXV:PXL) is pleased to provide a mid-quarter operational update. Palliser has drilled and reactivated 10 wells year to date in 2010 with 8 wells equipped for production and 1 well currently being equipped for production. Palliser remains on target to exit the year with production of 1,100 – 1,250 boe/d and average yearly production of 650 – 750 boe/d for 2010. Drilling and reactivation of the final 8 wells of its 2010 capital program is expected to be completed on schedule by year end. Palliser expects to issue a more detailed operations update by mid October.

About Palliser

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.

Additional information on Palliser is available on www.sedar.com or the Corporation's website at www.palliserogc.com.

Forward-Looking Statements

Certain statements contained in this news release constitute forward-looking statements that involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. No assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this release should not be unduly relied upon. Information and statements in this news release relating to "resources" are deemed to be forward looking information and statements, as they involve the implied assessment, based on certain estimates and assumptions, that the resources described exist in the quantities predicted or estimated, and that the resources described can be profitably produced in the future. Actual results could differ materially as a result of changes in Palliser's plans, changes in commodity prices, regulatory changes, general economic, market and business conditions as well as production, development and operating performance and other risks associated with oil and gas operations including anticipated success of resource prospects and the expected characteristics of resource prospects; uncertainties inherent in estimating quantities of resources; anticipated capital requirements, project rates of return and estimated project life; estimates of original discovered resource; estimates of recovery factors; lack of diversification; and overall technical and economic feasibility of the Corporation's project. These statements speak only as of the date of this release or as of the date specified in the documents accompanying this release, as the case may be. The Corporation undertakes no obligation to publicly

update or revise any forward-looking statements except as expressly required by applicable securities laws.

Disclosure provided herein in respect of boes may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf to 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. All boe conversions in this press release are derived by converting gas to oil according to this 6 mcf to 1 bbl ratio.

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

For further information please contact:

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

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

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.