

BASE OIL & GAS LTD. ANNOUNCES CLOSING OF NON-BROKERED PRIVATE PLACEMENT, PROVIDES UPDATE ON PEMBINA CARDIUM HORIZONTAL WELLS

CALGARY, Oct. 1, 2010 /CNW/ - Base Oil & Gas Ltd. ("Base" or the "Company") (TSX VENTURE: BOG) announces that it has closed the first tranche of its previously announced non-brokered private placement (the "Private Placement") for aggregate gross proceeds of \$504,000. The Company issued 1,800,000 common shares at a price of \$0.28 per share. In connection with the Private Placement, the Company paid a \$10,500 finder's fee.

Proceeds of the Private Placement will be used towards financing the Company's share of the third earning well ("3rd Earning Well") under a previously announced farm-in agreement to develop Cardium production with a private company in the Pembina area. By paying 50% of the drilling, completing, equipping and tie-in costs of the 3rd Earning Well, Base will earn a 30% working interest in the well and the Cardium rights within the section. The first earning well under this agreement has been on production since March 18, 2010 and is currently producing approximately 40 BOE's/day. The second earning well under this agreement has been on production since September 1 and is currently producing approximately 200 BOE's/day while continuing to flow without artificial lift. The Company's interest in the production from the first two earning wells is approximately 60 BOE's/day. Drilling of the 3rd Earning Well is expected to commence by mid-October.

All securities issued in connection with the Private Placement will be subject to a four-month hold period.

Base Oil & Gas Ltd. is a Calgary based emerging oil and gas company, focused on the development of oil and gas reserves in the Western Canadian Sedimentary basin.

References herein to "BOE" mean barrels of oil equivalent derived by converting gas to oil in the ratio of six thousand cubic feet (Mcf) of gas to one barrel (bbl) of oil. BOE may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1 bbl is based on an energy conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

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 release.

FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements. More particularly, this press release contains statements concerning the use of funds from the Private Placement and the planned operations of the Company. The forward-looking statements contained in this document are based on certain key expectations and assumptions made by Base Oil & Gas Ltd. with respect to the use of funds from the Private Placement and the Company's planned operations. Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Company 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. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the failure to obtain the necessary regulatory approvals, risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks, commodity price and exchange rate fluctuations). The forward-looking statements contained in this document are made as of the date hereof and the Company takes 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.

For further information: Base Oil & Gas Ltd., Dennis Feuchuk, President & CEO, (403) 384-0000, dennisf@baseoilandgas.ca; Roy Evans, C.A., Vice President, Finance & CFO, (403) 384-0000, roye@baseoilandgas.ca or visit the company's website at www.baseoilandgas.ca