



**BASE OIL AND GAS LTD. ANNOUNCES SHAREHOLDER APPROVAL OF  
RECAPITALIZATION TRANSACTION AND MANAGEMENT CHANGES**

**Symbol: BOG: TSX Venture**

**June 3, 2011**

Base Oil and Gas Ltd. (“**Base Oil and Gas**” or the “**Company**”) is pleased to announce it has received shareholder approval for the recapitalization transaction announced in the Company’s press release on May 20, 2011. As previously announced, the Company has entered into a recapitalization agreement (the “**Agreement**”) which provides for two non-brokered private placements (the “**Private Placements**”) by the Company for aggregate gross proceeds of at least \$1.25 million and up to \$1.4 million, and the appointment of Mr. Richard Thompson as President and Chief Executive Officer and Mr. Hany Beshry as Executive Vice-President, Exploration of the Company and Mr. Thompson as a director of the Company (collectively, “**New Management**”, and with the Private Placements, the “**Transaction**”).

Pursuant to the Agreement, the Company has obtained written consent from shareholders holding Common Shares representing in excess of 50.1% of the Company’s issued and outstanding common shares. The Transaction is expected to close on June 9, 2011.

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

**FOR ADDITIONAL INFORMATION PLEASE CONTACT:**

Base Oil & Gas Ltd.

Dennis Feuchuk  
Chairman, Board of Directors  
(403) 384-0000  
dennisf@baseoilandgas.ca

Roy Evans, C.A.  
Interim President and CEO  
(403) 384-0000  
roye@baseoilandgas.ca

or visit the Company’s website at [www.baseoilandgas.ca](http://www.baseoilandgas.ca).

***Forward Looking and Cautionary Statements***

*This press release contains forward-looking statements. More particularly, this document contains statements concerning: the completion of the transactions contemplated by the Agreement, including both completion of the Private Placements and the future directors and officers of the Company.*

*The forward-looking statements are based on certain key expectations and assumptions made by the Company or by New Management, as applicable, including expectations and assumptions concerning: timing of receipt of required regulatory approvals and third party consents and the satisfaction of other conditions to the completion of the Transaction.*

*Although the Company and the New Management, as applicable, believe that the expectations and assumptions on which the forward-looking statements made by such party are based are reasonable, undue reliance should not be placed on the forward-looking statements because no assurance can be provided 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, risks that required regulatory and third party approvals and consents are not obtained on terms satisfactory to the parties within the timelines provided for in the Agreement, or at all, and risks that other conditions to the completion of the Transaction are not satisfied on the timelines set forth in the Agreement or at all; the risks associated with the oil and gas industry in general; the ability to implement corporate strategies, the state of domestic capital markets, the ability to obtain financing, changes in general market conditions and other factors more fully described from time to time in the reports and filings made by the Company with securities regulatory authorities.*

*The forward-looking statements contained in this press release are made as of the date hereof and the Company 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.*

***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.***

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