



BASE OIL AND GAS LTD. ANNOUNCES COMPLETION OF RECAPITALIZATION TRANSACTION AND NEW MANAGEMENT

Symbol: BOG: TSX Venture

June 14, 2011

Base Oil and Gas Ltd. (“**Base Oil and Gas**” or the “**Company**”) is pleased to announce that the previously announced recapitalization of the Company has been completed (the “**Transaction**”).

New Management

In accordance with the reorganization and investment agreement dated effective May 19, 2011 (the “**Agreement**”) between the Company and Richard Thompson and Mr. Hany Beshry, Mr. Thompson has been appointed President and Chief Executive Officer and a director of the Company and Mr. Beshry has been appointed Executive Vice-President, Exploration of the Company. In accordance with the terms of the Agreement, the Company also announces that M. Elizabeth Burke-Gaffney has been appointed Vice-President, Land of the Company.

Senior management of the Company now consists of Richard Thompson – President and Chief Executive Officer, Hany Beshry – Executive Vice-President, Exploration, Ms. Burke-Gaffney – Vice-President, Land and Roy Evans – Vice-President, Finance and Chief Financial Officer. The Board of Directors of the Company now consists of Dennis Feuchuk (Chairman), Richard Thompson, Bruce Hammond, Richard Alexander and Don Van Tetering.

Private Placements

The Company is also pleased to announce that pursuant to the terms and conditions of the Agreement, that today it has closed its previously announced private placements (the “**Private Placements**”), resulting in the issuance of 7,547,170 units of the Company (the “**Units**”) at a price of \$0.1325 per Unit and 2,666,667 common shares of the Company (“**Common Shares**”) at a price of \$0.15 per Common Share, for aggregate gross proceeds of \$1.4 million. These proceeds will be used to fund the Company’s capital program, as well as for current working capital purposes.

Each Unit is comprised of one Common Share and one Common Share purchase warrant (a “**Warrant**”) Each Warrant entitles the holder thereof to purchase one Common Share at a price of \$0.20 over the next five years with 1/3 of the Warrants vesting when the five day weighted average closing share price (the “**Market Price**”) meets or exceeds \$0.26 per Common Share, 1/3 of the Warrants vesting when Market Price equals or exceeds \$0.325 per Common Share and the final 1/3 of the Warrants vesting when the Market Price equals or exceeds \$0.39 per Common Share.

All securities issued in connection with the Private Placements are subject to a four month hold period which will expire on October 15, 2011.

In accordance with the terms of the Agreement, the Common Shares and Warrants acquired by Mr. Thompson, Mr. Beshry and Ms. Burke-Gaffney are subject to a 24 month escrow wherein 25% of such

securities shall be released on each of the 6, 12, 18 and 24 month anniversaries of closing of the Private Placements.

Richard Thompson, 640, 910 - 7th Ave SW, Calgary Alberta, an officer and a director of the Company announces that, as a result of the Private Placements and the acquisition Units thereunder, he has acquired beneficial ownership of 2,037,735 Common Shares, and direction over 1,735,850 Common Shares of the Company acquired by his spouse Brenda Thompson, representing 3,773,585 Common Shares in the aggregate or 10.6% of the issued and outstanding Common Shares. Prior to this acquisition, neither Mr. Thompson or his spouse owned or exercised control or direction over any Common Shares.

Mr. Thompson and his spouse have acquired the Common Shares for investment purposes only.

For additional information, please contact Richard Thompson at the number indicated below.

Resignations

In accordance with the terms of the Agreement, Mr. Henry Sykes and Mr. Don Cameron have resigned as directors of the Company and Mr. Cameron, Vice-President Exploration and Mr. Don Van Tetering, Vice-President Operations have resigned as officers of the Company. The Company would like to express its appreciation to both of them for their hard work and dedication to the Company.

Stock Exchange Approvals

The appointments of Mr. Thompson, Mr. Beshry and Ms. Burke-Gaffney and the Private Placements remain subject to the final approval of the TSX Venture Exchange.

Corporate Strategy

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

The Company's focus is predominately on light oil and liquids-rich gas opportunities in Alberta and Northeast B.C. The Company supplements its exploration and development program with a focused acquisition and consolidation strategy. The acquisition and consolidation strategy is to expand the Company's suite of assets and provide a platform for sustainable growth.

FOR ADDITIONAL INFORMATION PLEASE CONTACT:

Base Oil & Gas Ltd.

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or visit the Company's website at www.baseoilandgas.ca.

Forward Looking and Cautionary Statements

This press release contains forward-looking statements. More particularly, this document contains statements concerning the use of proceeds from the Private Placements. The forward-looking statements

are based on certain key expectations and assumptions made by the Company including expectations and assumptions concerning: receipt of required regulatory approvals and the future operations of the Company.

Although the Company believes 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 approvals are not obtained; 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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