



**BASE OIL AND GAS LTD. ANNOUNCES FILING OF FIRST QUARTER ENDED MARCH 31, 2011
FINANCIAL STATEMENTS AND CORPORATE UPDATE**

Symbol: BOG: TSX Venture

June 29, 2011

Base Oil and Gas Ltd. ("Base" or the "Company") is pleased to announce the financial and operating results for the first quarter ended March 31, 2011. The Company has filed its financial statements and related management's discussion and analysis for the quarter ended March 31, 2011 on www.sedar.com.

HIGHLIGHTS

- Completed a Recapitalization and Reorganization agreement on June 14, 2011, including the closing of two private placements for \$1.4 million and the appointment of the following new officers:
 - Mr. Richard Thompson - President and CEO, and a Director
 - Mr. Hany Beshry - Executive Vice President, Exploration
 - Ms. M. Elizabeth Burke-Gaffney - Vice-President, Land

- Production of 147 BOE per day during the first quarter
- Gross revenue of \$503,814 and operating netback of \$385,700, or \$29.24 per BOE

**FINANCIAL
(\$'s)**

	Three Months Ended March 31	
	2011	2010
Oil and natural gas sales	503,814	24,596
Operating netback	385,700	(9,489)
Funds from operations	288,587	(79,109)
Net earnings	14,691	5,245
Per share, basic & diluted	0.001	-
Capital expenditures	183,257	(1,647,847)
Working capital (net debt)	(1,765,130)	587,437
Common share issues	25,363,044	19,234,156

OPERATING

	Three Months Ended March 31	
	2011	2010
Daily Production		
Oil and NGL (bbls/d)	42	3
Natural gas (mcf/d)	626	13
Oil equivalent (boe/d @ 6:1)	147	6
Revenue		
Oil and NGL (\$/bbl)	71.66	78.58
Natural gas (\$/mcf)	4.19	4.65
Oil equivalent (\$/boe @ 6:1)	38.19	59.47
Royalties		
\$ per boe	(1.24)	(.10)
Operating costs		
\$ per boe	(7.71)	(78.27)
Netback		
\$ per boe	29.24	(18.90)

OUTLOOK

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

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.

FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements. More particularly, this press release contains statements concerning the planned operational and exploration activities of the Company. The forward-looking statements contained in this document are based on certain key expectations and assumptions made by Base with respect to the Company's planned operational and exploration activities. 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 and 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. Additionally, Base undertakes no obligation to comment on the expectations of, or statements made by, third parties in respect of the matters discussed above.

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