



**BASE OIL & GAS LTD. ANNOUNCES THE ACQUISITION OF A NEW CORE PROPERTY IN THE
PROVOST AREA**

CALGARY, ALBERTA – (July 18, 2011) – Base Oil & Gas Ltd. (TSXV: BOG) (“Base” or the “Company”) is pleased to announce a property acquisition in the Provost area of Alberta. Base has acquired 100% working interest in 19,200 net acres (30 net sections) of crown land from a private company. The acquisition provides a new prospective high impact growth area for the company which in the opinion of management contains access to repeatable shallow depth (1,000-1,200 m) Viking and Mannville oil resource plays.

The property acquisition has the following key attributes:

- 19,200 net acres (30 net sections) of concentrated land at 100% working interest;
- large potential upside in the Viking and Mannville sweet light oil resource play (30- 35 API);
- management has identified numerous low risk horizontal drilling locations, well positioned for growth;
- extensive gas gathering and infrastructure in place with year round access;
- land is all crown, as a result any horizontal wells drilled will qualify for the 18 month oil royalty incentive; and
- operator activity in the area has increased for drilling Viking and Mannville horizontal wells.

In management’s opinion, the property acquisition has immediate strategic value and provides a new core area for the company with access to a defined repeatable Viking and Mannville horizontal play and a concentrated undeveloped land position to support production growth. Base is excited about this new core area as its attractive entrance cost should enhance full cycle economics. The acquisition has a minor near-term drilling obligation, which Base intends to fulfill by Dec 31, 2011 through its plans to drill one Viking horizontal well. Geological mapping of existing producing wells; drill stem tests and bypass pay analysis, has identified numerous low risk horizontal drilling locations that should create immediate production growth for the company.

The company was recapitalized by a new management team on June 14, 2011. The original properties of Base at Pembina and Coutts have Cardium and Sunburst horizontal drilling locations. Subsequently the company announced on June 30, 2011 the property acquisition in the Ante Creek area. This Ante Creek property is prospective for Montney liquid-rich gas and Nordegg oil. With Ante Creek, the Provost acquisition further enhances the inventory of oil drilling opportunities for the company. Base has updated its investor presentation with further acquisition details. The presentation can be viewed at www.baseoilandgas.ca.

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

FORWARD-LOOKING STATEMENTS

Certain information included in this press release constitutes forward-looking information under applicable securities legislation. Such forward-looking information is provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that reliance on such information may not be appropriate for other purposes, such as making investment decisions. Forward-looking information typically contains statements with words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", "project" or similar words suggesting future outcomes or statements regarding an outlook.

Forward-looking information in this press release may include, but is not limited to, information with respect to: operational decisions and the timing thereof; development and exploration plans, the likelihood of success and the timing thereof; the sufficiency of and access to pipeline infrastructure; and future royalty treatment of any future production. Forward-looking information is based on a number of factors and assumptions which have been used to develop such information but which may prove to be incorrect. Although the Company believes that the expectations reflected in such forward-looking information is reasonable, undue reliance should not be placed on forward-looking information because the Company can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified in this press release, assumptions have been made regarding and are implicit in, among other things: field production rates and decline rates; the ability of the Company to secure adequate product transportation; the impact of increasing competition in or near the Company's plays; the timely receipt of any required regulatory approvals; the ability of the Company to obtain qualified staff, equipment and services in a timely and cost efficient manner to develop its business; the Company's ability to operate the properties in a safe, efficient and effective manner; the ability of the Company to obtain financing on acceptable terms; the ability to replace and expand oil and natural gas reserves through acquisition, development of exploration; the timing and costs of pipeline, storage and facility construction and expansion; future oil and natural gas prices; currency, exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters; and the ability of the Company to successfully market its oil and natural gas products. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which have been used.

Forward-looking information is based on current expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by the Company and described in the forward-looking information. The material risk factors affecting the Company and its business are contained in Management's Discussion and Analysis which is available under the Company's issuer profile on SEDAR at www.sedar.com.

The forward-looking information contained in this press release is made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless required by applicable securities laws. The forward looking information contained in this press release is expressly qualified by this cautionary statement.

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