BASE OIL & GAS LTD. ANNOUNCES STRATEGIC LIGHT OIL PROPERTY ACQUISITION AND EQUITY FINANCING

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CALGARY, ALBERTA – (August 10, 2011) – Base Oil & Gas Ltd. (TSXV: BOG) ("Base" or the "Company") is pleased to announce that it has entered into a definitive purchase and sale agreement with a private company ("Vendor") to purchase certain oil and gas producing properties located in East Central Alberta ("New Property"). New Property production and land base complements the recently announced East Central Alberta Provost acquisition on July 18, 2011. Base is also pleased to announce a $15 million equity financing that will be used to fund the acquisition and the Company's capital program for the New Property.

Property acquisition highlights:

Through the acquisition, Base is acquiring high quality light oil and liquid-rich gas production, with a high working interest and contiguous undeveloped land base of more than 9,000 net acres prospective for Mannville and Banff light oil horizontal targets, for total consideration of $7.8 million in cash (subject to customary closing adjustments) with an effective date of July 1, 2011. GLJ Petroleum Consultants Ltd., an independent qualified reserves evaluator, evaluated as of June 30, 2011 the total proved reserves of the property to be 311 Mboe and total proved plus probable reserves at 438 Mboe (47% oil and natural gas liquids). Current net production from the property is estimated to be 121 boe/d with an additional 34 boe/d expected to be on production by mid-September. Fourth quarter production from the New Property should average 155 boe/d (56% oil). Recent net cashflow for the property has been approximately $150,000/month for an estimated cash flow netback of $42/boe, which the Company believes will translate into an attractive recycle ratio. Subject to commodity prices, fourth quarter cashflow is expected to average $190,000/month.

Strategic Rationale and Metrics

The property acquisition is strategic to Base as it materially expands its holdings in East Central Alberta. With this purchase the Company grows its land position in the area to 28,160 acres of undeveloped oil and gas rights. With the completion of the acquisition the breadth of drilling opportunities available to Base will expand to include the Viking, Mannville Glauconite, Mannville Detrital and Banff formations. The Company has identified over 10 drilling locations and numerous other upside projects on the New Property lands primarily targeting highly economic light oil from the Banff and Mannville formations.

Based on total consideration for the acquisition of $7.8 million and adjusted for an internally generated estimate for undeveloped land value of $1.8 million, the expected acquisition metrics are as follows:

Production: $49,586 per producing boe (~$38,710 per producing boe including new production)
Reserves: $13.70 per proved plus probable boe

NCP Northland Capital Partners Inc. acted as an advisor to Base on this property acquisition and the previously announced land purchase at Provost.

Proforma Company Operating Information as of July 1, 2011

Production:	~201 boe/d
Reserves	
Proved:	690 Mboe (Base as of December 31, 2010)(1)
	311 Mboe (New Property as of June 30, 2011)(2)
Proved plus Probable:	985 Mboe (Base as of December 31, 2010)(1)
	438 Mboe (New Property as of June 30, 2011)(2)
Net Land Position (acres)	
East Central Alberta:	28,160
Ante Creek:	3,680
Southern Alberta:	3,532
Pembina:	576

Notes:

(1) As evaluated by Sproule Associates Limited in an independent reserves assessment and evaluation of the oil and gas properties of Base with an effective date of December 31, 2010.

(2) As evaluated by GLJ Petroleum Consultants Ltd. in an independent reserves assessment and evaluation of the New Property with an effective date of December 31, 2010.

Equity Financing

Base is also pleased to announce that it has entered into an engagement agreement with a syndicate of investment dealers led by Dundee Securities Ltd. and including Casimir Capital Ltd., Macquarie Capital Markets Canada Ltd. and NCP Northland Capital Partners Inc. (collectively, the “Agents”) to sell, on a best efforts private placement basis, 44,445,000 special warrants (the "Special Warrants") of the Company at a price of $0.27 per Special Warrant and 9,375,000 flow-through common shares (the "Flow-Through Shares") at a price of $0.32 per Flow-Through Share for aggregate gross proceeds of up to $15,000,150.

Each Special Warrant will be exercisable into one common share of the Company (a “Common Share”) by the holders thereof at any time after the private placement closing date for no additional consideration and all unexercised Special Warrants will be deemed to be exercised at 4:00 pm (Calgary time) on the earlier of: (a) the date that a receipt is obtained for a short form prospectus (the “Final Prospectus”) from the Canadian securities regulatory authorities where the Special Warrants are sold qualifying for distribution the Common Shares underlying the Special Warrants (the “Qualification Date”); and, (b) the date that is four months and a day following the closing date. If the Qualification Date has not occurred on or before September 2, 2011, each Special Warrant shall thereafter entitle the holder to receive upon exercise, for no additional consideration, an additional number of Common Shares equal to 10% of the number of Common Shares issuable upon the exercise or deemed exercise of the Special Warrants, resulting in each Special Warrant being exercisable for 1.1 Common Shares. The Company has agreed however continue to use its best efforts to obtain such receipt for a short form prospectus.

The Company has granted the Agents an option to offer up to an additional 15% of the Special Warrants, at the issue price, exercisable in whole or in part at any time up to 48 hours prior to the private placement closing date.

The net proceeds of the Special Warrants offering will be used to fund the New Property acquisition purchase price and the Company’s capital expenditure program for the New Property and general corporate purposes. The gross proceeds of the Flow-Through Share offering will be used for exploration expenditures on the Company's properties and will renounce Canadian Exploration Expenses with an effective date of no later than December 31, 2011.

The private placement is expected to close on or about August 31, 2011. The Special Warrants will be subject to a hold period; expiring the earlier of: (a) the date that is four months and a day following closing, and (b) the first business day after a receipt is issued for a Final Prospectus by the securities regulatory authorities. The Flow-Through Shares will be subject to a hold period expiring the date that is four months and a day following closing. The private placement is subject to all required approvals, including the approval of the TSX Venture Exchange.

Recent Corporate Milestones:

The Company was recapitalized by a new management group on June 14, 2011 at which time the assets included the Cardium liquids rich gas resource property at Pembina and its Sunburst light oil properties at Coutts. The Company announced on June 30, 2011 that it had closed a property acquisition in the Ante Creek area. The Ante Creek property has horizontal drilling potential for Montney liquids-rich gas and Nordegg oil. On July 18, 2011 the Company announced the Provost acquisition which further enhances the inventory of light oil drilling opportunities for the Company. The New Property adds to its inventory of high impact light oil resource opportunities and positions the Company for efficient growth on an absolute and per share basis. Base has updated its investor presentation with further details on the property acquisition and related private placement financing. The presentation can be viewed at www.baseoilandgas.ca.

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

BOEs

Boes may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

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: the anticipated completion of the acquisition of the New Property, and the pro forma impact on the Company; the anticipated completion of the private placement financing and the amount of funds to be raised thereunder; expected timing to bring on and the quantity of new production; receipt of all necessary approvals for the New Property acquisition and the private placement financing; the anticipated benefits of the New Property acquisition including, without limitation, an enhanced recycle ratio (recycle ratio being based on field netback per boe divided by finding, development and acquisition costs per boe) and efficient growth on an absolute and per share basis; 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.*

Statements relating to "reserves" are by their nature forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the reserves described can be profitably produced in the future. The recovery and reserve estimates provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. As a consequence, actual results may differ materially from those anticipated in the forward looking statements

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 the Company's annual information form for the year ended December 31, 2010 dated July 29, 2011 and Management's Discussion and Analysis which are 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.

FOR ADDITIONAL INFORMATION PLEASE CONTACT:

Base Oil & Gas Ltd.

Richard Thompson
President & CEO
(403) 384-0000
richardt@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.