



## BASE OIL & GAS LTD. ANNOUNCES FINAL RECEIPT FOR SHORT FORM PROSPECTUS

Calgary, Alberta, September 1, 2011. Base Oil and Gas Ltd. (“**Base**” or the “**Company**”) is pleased to announce that it has received a receipt dated September 1, 2011 (the “**Receipt**”) for the (final) short form prospectus of the Company dated August 31, 2011 (the “**Final Prospectus**”) filed with the securities regulatory authorities in the provinces of Alberta, British Columbia, Manitoba, Ontario and Saskatchewan with respect to the qualification of the distribution of 51,111,750 common shares in the capital of Base (“**Common Shares**”) issuable pursuant to the exercise of 51,111,750 special warrants (“**Special Warrants**”) previously issued by Base pursuant to a private placement completed on August 31, 2011 (the “**Offering**”). The Offering was led by Dundee Securities Ltd. and included Casimir Capital Ltd., Macquarie Capital Markets Canada Ltd., and NCP Northland Capital Partners Inc., as agents. For details regarding the Offering and the Special Warrants, please refer to the Company’s news releases dated August 10, 2011 and August 31, 2011, which are available under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

In accordance with terms of the indenture governing the Special Warrants, each Special Warrant will entitle the holder thereof to receive one Common Share on the exercise or deemed exercise of the Special Warrant. All unexercised Special Warrants will be deemed exercised without further action on the part of the holder on September 2, 2011, being the first business day following the date of the Receipt. The Common Shares issued pursuant to the deemed exercise of the Special Warrants will be freely trading Common Shares.

Following the exercise of the Special Warrants, Base will have 96,063,630 Common Shares issued and outstanding.

Copies of the Final Prospectus may be obtained from Mr. Roy Evans, the Chief Financial Officer of the Company, at Suite 640, 910 - 7th Avenue S.W., Calgary, Alberta T2P 3N8, telephone (403) 384-0000, and is also available electronically at [www.sedar.com](http://www.sedar.com).

The securities offered have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Base Oil and Gas Ltd. is a Calgary-based emerging junior oil and gas company currently focused on high netback oil production in southern and east central Alberta.

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

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