



BASE OIL AND GAS ANNOUNCES COMPLETION OF STRATEGIC ASSET ACQUISITION

CALGARY, ALBERTA – (September 7, 2011) – Base Oil & Gas Ltd. (TSXV: BOG) ("Base" or the "Company") is pleased to announce that it has completed its previously announced acquisition of oil and gas assets in East central Alberta for total consideration of \$7.8 million in cash (subject to customary closing adjustments) with an effective date of July 1, 2011. With this acquisition, production from the oil-weighted assets is expected to average more than 150 boe/d in the fourth quarter of 2011 and the Company's undeveloped land position in the area grows to approximately 30,000 net acres. Current production is approximately 201 boe/d.

About Base Oil & Gas Ltd.

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

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: expected timing to bring on and the quantity of new production; receipt of all necessary approvals for the Assets acquisition and the private placement financing; 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 and 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.

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