Strategic Oil & Gas Ltd. Announces Significant Muskeg Stack Light Oil Results and Provides Operational Update

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CALGARY, Sep 12, 2013 - Strategic Oil & Gas Ltd. ("Strategic" or the "Company") (TSX VENTURE:SOG) is pleased to provide an operational update of third quarter 2013 drilling activity as well as a production update.

Operational Update

Strategic commenced its second half drilling program at Steen River in July 2013 and has drilled three new wells - two Muskeg Stack horizontal wells and one Keg River vertical well.

Strategic successfully drilled and fracture stimulated two Muskeg Stack horizontal wells with lateral length of approximately 1,500 meters.

The first Muskeg Stack horizontal (4-33) produced 634 bbl/d of 36° API oil and 20 Boed of natural gas over the first two days. The well was tied into existing facilities and has averaged 503 Boed (97% oil) over the first fifteen days.

The second Muskeg Stack horizontal (16-29) produced 439 bbl/d of 36° API oil and 34 Boed of natural gas over the first two days, and is currently being tied in.

Production test data indicates that the wells are still recovering completion water. Results from the two Muskeg Stack horizontal wells drilled during the third quarter are summarized in the table below:

Well	Lateral Length (meters)	IP 2 (Boed)	IP 15 (Boed)
Hz 4-33	1,598	654 (97% oil)	503(97% oil)
Hz 16-29	1,493	473(93% oil)	-

Production to date from the Muskeg Stack horizontal wells suggests oil rates that are over 50% higher than the current type curve used for the Muskeg Stack horizontal wells. Strategic believes this is both a function of improved drilling/completion techniques and better oil saturation encountered with longer wells drilled deeper in the formation.

In the third quarter, Strategic also drilled a successful Keg River well, 11-18, in the West Marlowe oil pool at Steen River. The well penetrated a dolomite zone with over 22 meters of net oil pay and is structurally one of the highest wells in the pool. This well is currently being completed and is expected to be tied in within the next ten days. The Company expects this well to meet the current Keg River type curve.

Strategic drilled three Muskeg Stack horizontal wells during the first half of 2013. Two of these wells have production data for over 30 days which are summarized below:

Well	Lateral Length (meters)	IP 30 (Boed)	IP 60 (Boed)	IP 90 (Boed)
Hz 14-13	875	340 (60% oil)	260 (60% oil)	-
Hz 13-28	905	335 (50% oil)	210 (65% oil)	180(65% oil)

The Muskeg Stack wells drilled in the first quarter encountered downtime due to undersized pumps. Strategic has recently removed the pump on the Muskeg Stack well 14-13 and the well has been flowing for the past two days at a rate of 650 Boed (60% oil).

Higher oil rates observed from the longer Muskeg Stack horizontal wells drilled during the third quarter coupled with the positive results from the Muskeg Stack horizontal wells drilled during the first quarter continue to prove the resource potential of this formation. Strategic is extremely encouraged by these recent results and enthusiastic about its future development of this large Muskeg Stack resource. The Company plans to continue optimizing and improving technology across its inventory with a focus on reducing drilling costs and gaining operational efficiencies. The Company's Muskeg Stack inventory continues to be a significant driver of value growth going forward in the near term.

Production Update

Strategic experienced two weather-related outages in the third quarter. The Marlowe 1-28 facility as well as the Bistcho facility suffered downtime as a result of power surges caused by two lightning strikes. Strategic is estimating average production of 3,700 Boed (70% oil) for the third quarter of 2013, with downtime related to the lightning strikes.

The Company has improved its facility grounding, and as of September 9th 2013, both plants are fully operational. With both plants back in operation and with one of the new Muskeg Stack wells on production, current corporate production is approximately 4,500 Boed (74% oil). The Keg River vertical well and the second Muskeg Stack horizontal well are expected to be tied in shortly.

The facility expansion project is ongoing at Strategic's 9-17 facility. Strategic expects to have the expanded facility operational during the second week of October.

The Company is revising its 2013 annual average production guidance to 3,700 - 3,800 Boed (73% oil). Year-end net debt is projected to be approximately $82 - $85 million.

ABOUT STRATEGIC

Strategic is a junior oil and gas company committed to growth by exploiting its light oil assets in Canada. Strategic's common shares trade on the TSX Venture Exchange under the symbol SOG.

ADDITIONAL INFORMATION

Additional information is also available at www.sogoil.com and at www.sedar.com.

Forward-Looking Statements

This news release includes certain information, with management's assessment of Strategic's future plans and operations, and contains forward-looking statements which may include some or all of the following: (i) anticipated production rates; (ii) expected results of capital programs; (iii) expected timelines for production optimization; (iv) net debt levels; (v) anticipated operating costs; and (vi) expected capital projects and associated spending; which are provided to allow investors to better understand the Company's business. By their nature, forward-looking statements are subject to numerous risks and uncertainties; some of which are beyond Strategic's control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, changes in environmental tax and royalty legislation, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources, and other risks and uncertainties described under the heading 'Risk Factors' and elsewhere in the Company's Annual Information Form for the year ended December 31, 2012 and other documents filed with Canadian provincial securities authorities and are available to the public at www.sedar.com. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The principal assumptions Strategic has made includes security of land interests; drilling cost stability; finance and debt markets continuing to be receptive to financing the Company, the ability of the Company to monetize non-core assets and industry standard rates of geologic and operational success. Actual results could differ materially from those expressed in, or implied by, these forward-looking statements. Strategic disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Basis of Presentation

The discussion and analysis of Strategic's oil and natural gas production and related performance measures is presented on a working-interest, before royalties basis. For the purpose of calculating unit information, the Company's production and reserves are reported in barrels of oil equivalent (Boe). Boe may be misleading, particularly if used in isolation. A Boe conversion ratio for natural gas of 6 Mcf: 1 Boe has been used, which is based on an energy equivalency conversion method primarily applicable at the burner tip and does not necessarily represent a value equivalency at the wellhead. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

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