

CALGARY, ALBERTA--(Marketwired - Feb. 7, 2017) - Strategic Oil & Gas Ltd. ("Strategic" or the "Company") (TSX VENTURE:SOG) announces it has achieved its exit production target for year-end 2016 and provides an operations update.

Strategic tied in three Muskeg wells during the fourth quarter of 2016, and has recently tied in the step out Muskeg well 14-35. With the recent Muskeg wells drilled and tied-in, current corporate production exceeds the company's 2016 exit rate guidance of 2,800 boe/d.

Strategic initiated its \$30 million capital program for the first half of 2017 which includes six Muskeg horizontal wells. The Company is now drilling its third Muskeg well and maintains its production guidance of 4,000 boe/d exiting the first half of 2017. Strategic's current capital position remains strong and the company is positioned for growth.

With respect to the Company's outstanding convertible debentures, Strategic has elected to pay the interest in kind for the semi-annual interest payment due on February 28, 2017. Approximately \$3.7 million in additional debentures will be issued, which will be convertible into common shares of Strategic at a conversion price of \$0.135 per common share.

## ABOUT STRATEGIC OIL & GAS

Strategic is a junior oil and gas company committed to becoming a premier northern oil and gas operator by exploiting its light oil assets primarily in northern Alberta. The Company relies on its extensive subsurface and reservoir experience to develop its asset base and grow production and cash flows while managing risk. The Company maintains control over its resource base through high working interest ownership in wells, construction and operation of its own processing facilities and a significant undeveloped land and opportunity base. Strategic's primary operating area is at Marlowe, Alberta. 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](http://www.sogoil.com) and at [www.sedar.com](http://www.sedar.com).

## Reader Advisories

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) exit production rates; (ii) future drilling activities; and (iii) capital spending levels and projects to be undertaken, 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, 2015 and other documents filed with Canadian provincial securities authorities and are available to the public at [www.sedar.com](http://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; royalty rate stability; oil and gas prices to remain in their current range; finance and debt markets continuing to be receptive to financing the Company 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

This 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) and Boe per day (Boe/d). 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.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

## Contact

Strategic Oil & Gas Ltd.  
Gurpreet Sawhney  
President and CEO  
403.767.9122  
403.767.2949

Strategic Oil & Gas Ltd.  
Aaron Thompson  
Chief Financial Officer  
403.767.9122  
403.767.2952

Strategic Oil & Gas Ltd.  
1100, 645 7th Avenue SW  
Calgary, AB T2P 4G8