

**CRUISER OIL & GAS LTD.
(TSX VENTURE SYMBOL: COG)**

NEWS RELEASE

CRUISER ANNOUNCES CLOSING OF PRIVATE PLACEMENT

Calgary, Alberta, December 22, 2006 – Cruiser Oil & Gas Ltd. ("Cruiser" or the "Company") is pleased to announce that it has closed its previously announced non-brokered private placement of 33,033,333 common shares (the "Common Shares") at a price of \$0.12 per Common Share and 7,142,857 Common Shares issued on a "flow-through" basis (the "Flow-Through Shares") and renounced as "Canadian Development Expenses" at a price of \$0.14 per Flow-Through Share for aggregate proceeds of \$4,963,999.94. The shares issued pursuant to the private placement are subject to a four-month period expiring on April 23, 2007. A fee of \$40,000 was paid in connection with the sale of Flow-Through Shares.

Proceeds from this Private Placement will be used to fund the development of the Company's oil and gas properties in Western Canada.

Cruiser is a public junior oil and gas company engaged in the exploration, exploitation, acquisition and production of petroleum and natural gas in Western Canada. The Company is focused on re-entry and new drilling of multi-zone gas and oil prospects west of the fifth meridian. Cruiser trades on the TSX Venture Exchange under the symbol COG.

FOR FURTHER INFORMATION PLEASE CONTACT:

Cruiser Oil & Gas Ltd.
Suite 750, 635 – 8th Avenue S.W.
Calgary, AB T2P 3M3
Fax: (403) 232-1409
Email: inbox@cruiseroilandgas.com
Website: www.cruiseroilandgas.com

Mr. Douglas L. Meiklejohn
President and Chief Executive Officer
Tel: (403) 232-1405
Email: dmeiklejohn@cruiseroilandgas.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.

The TSX Venture Exchange has neither approved nor disapproved the contents of this press release.