

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

**CRUISER INCREASES PRODUCTION AT SWAN HILLS**

**Calgary, Alberta, June 7, 2007** – Cruiser Oil & Gas Ltd. ("Cruiser" or the "Company") is pleased to announce that it has completed the installation of a high volume pump at its Swan Hills 15-26 well. The latest production information indicates that the well is now producing at approximately 104 barrels per day of oil and 169 Mcf per day of gas, for a combined rate of 132 BOE per day. The total fluid (oil plus water) production rate is approximately 1,939 barrels per day with an associated 5% oilcut. Cruiser has a 100% working interest in this well, converting to 93.3% after penalty payout. Cruiser is encouraged by the results to date and plans to continue to work on maximizing production and profits from the well.

The Company is now producing approximately 200 BOE per day in total from all of its fields and is in the process of bringing on additional volumes in its core areas through drilling, completion, tie-ins and optimizations.

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 620, 600 – 6<sup>th</sup> Avenue S.W.  
Calgary, AB T2P 0S5  
Fax: (403) 232-1409  
Email: [inbox@cruiseroilandgas.com](mailto:inbox@cruiseroilandgas.com)  
Website: [www.cruiseroilandgas.com](http://www.cruiseroilandgas.com)

**Mr. Douglas L. Meiklejohn**  
**President and Chief Executive Officer**  
**Tel: (403) 232-1406**  
**Email: [dmeiklejohn@cruiseroilandgas.com](mailto:dmeiklejohn@cruiseroilandgas.com)**

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**ADVISORY**

**FORWARD-LOOKING STATEMENTS** Natural Gas volumes that have been converted to barrels of oil equivalent (BOEs) have been converted on the basis of six thousand cubic feet (Mcf) to one barrel (bbl). BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of six mcf to one bbl is based on an energy equivalency method and does not necessarily represent value equivalency at the wellhead. Certain information set forth in this document, including management's assessment of Cruiser's future plans and operations, contain forward-looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond these parties' control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency

fluctuations, imprecision of reserve estimates, environmental risks, 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. 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. Cruiser's actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that Cruiser will derive therefrom. Cruiser disclaims any intention or obligation to update or review any forward-looking statements, whether as a result of new information, future events or otherwise except as required by applicable securities legislation.

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