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FOR: CRUISER OIL & GAS LTD.

TSX VENTURE SYMBOL: COG

August 27, 2008

Cruiser Announces Results for the Three and Six Months Ended June 30, 2008

CALGARY, ALBERTA--(Marketwire - Aug. 27, 2008) - Cruiser Oil & Gas Ltd. (TSX VENTURE:COG) ("Cruiser" or the "Company") is pleased to announce its financial and operating results for the three and six months ended June 30, 2008 with comparatives for the same periods in 2007.

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	Three months June 30		Six months June 30	
	2008	2007	2008	2007
FINANCIAL HIGHLIGHTS (\$)				
Petroleum and natural gas sales	746,103	461,849	1,377,565	783,371
Funds from operations	304,502	74,594	551,376	117,298
Loss for the period	(4,984)	(155,119)	(49,759)	(294,354)
Net capital expenditures	101,898	938,384	112,428	2,893,019
OPERATIONAL HIGHLIGHTS				
Daily production - boe/d (6:1)	108	96	109	83
Price - \$/boe	75.95	53.13	69.50	51.93
Operating netback - \$/boe	62.00	32.45	51.41	31.96

BOEs are derived by converting gas to oil in the ratio of six thousand cubic feet of gas to one barrel of oil (6 Mcf: 1 bbl). 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.

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SECOND QUARTER 2008 HIGHLIGHTS:

Cruiser was focused on strategic planning and closing of a private placement in the second quarter of 2008. Some of the highlights of this quarter include:

- Closed a private placement of 90 million special warrants in May 2008 for gross proceeds of \$6.3 million. All of the special warrants were subsequently exercised for an equal number of common shares of the Company.
- Commenced drilling of a well in the Willesden Green area. The well was initially determined to be uneconomic, however options are still being considered.
- Exited June 30, 2008 with positive working capital of \$6.1 million.

The Company's current production averages approximately 110 boe/day. In August 2008, the Company agreed to dispose of certain properties for cash

proceeds of \$500,000 before adjustments. Completion of the sale is subject to several conditions, including the execution of a definitive purchase and sale agreement. These properties provided approximately 17 boe/day production to the Company during the six months ended June 30, 2008.

The Company is continuing to pursue alternatives to maximize the value of its Swan Hills 15-26 well by attempting to bring this well back on production.

In the later part of June 2008, Mr. Doug Meiklejohn resigned as President and Chief Executive Officer and a director of Cruiser. The Board of Directors of Cruiser would like to thank Mr. Meiklejohn for his many years of hard work and dedicated service. Mr. Ray Smith, the Chairman of the Company, has been appointed the interim CEO of the Company.

Cruiser is pleased to announce that Kelsey Clark has been appointed to the Board of Directors of the Company. Mr. Clark practices in the area of securities and mergers and acquisitions with the law firm Burnet, Duckworth & Palmer LLP.

Ray Smith, Interim Chief Executive Officer

FORWARD-LOOKING STATEMENTS

Information contained in this press release includes estimates and assumptions concerning future events, and may constitute forward-looking statements under applicable securities laws. Forward-looking statements include plans, expectations, estimates, forecasts and other comments that are not statements of fact. The words "anticipate", "believe", "expect", "estimate", "plans" and similar expressions are generally intended to identify forward-looking statements. Although the Company views such expectations as reasonable, no assurance can be given that such expectations will be realized. Such forward-looking statements are subject to risks and uncertainties and may be based on assumptions that may cause actual results to differ materially from those implied herein, and therefore are expressly qualified in their entirety by this cautionary statement.

Forward-looking statements included in this press release include statements with respect to pursuing alternatives to maximize the value of its Swan Hills 15-26 well by attempting to bring this well back on production. Some of the risks and other factors which could cause results to differ materially from those expressed in the forward-looking statements contained in this press release include, but are not limited to: industry conditions, including fluctuations in the price of oil and natural gas; liabilities inherent in oil and natural gas operations; potential delays or changes in plans with respect to exploration or development projects or capital expenditures; unanticipated operating events which could reduce production or cause production to be shut in or delayed; commodity price fluctuations, interest and exchange rates, changes in government regulations in the oil and gas industry, including environmental regulations; hazards such as fire, explosion, blowouts, cratering, and spills, each of which could result in substantial damage to wells, production facilities, other property and the environment; competition for, among other things, capital, acquisition of reserves, undeveloped land and skilled personnel; and the other factors disclosed in our publicly filed documents.

With respect to forward-looking statements contained in this press release, the Company has made assumptions regarding: future exchange rates; the price

of oil and natural gas; the impact of increasing competition; conditions in general economic and financial markets; availability of equipment; availability of skilled labour; cash flow; commodity prices; production rates; timing and amount of capital expenditures; marketability of oil and natural gas; royalty rates; effects of regulation by governmental agencies; future operating costs and the Company's ability to obtain financing on acceptable terms. Management has included the above summary of assumptions and risks related to forward-looking information provided in this press release in order to provide shareholders with a more complete perspective on the Company's future outlook and may not be appropriate for other purposes.

These forward-looking statements are made as of the date of in this press release and the Company disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

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SUBJECT: ERN

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