

CRUISER OIL & GAS LTD.

(TSX VENTURE SYMBOL: COG)

May 21, 2008

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Cruiser Announces Closing of Private Placement

Calgary, Alberta – Cruiser Oil & Gas Ltd. ("Cruiser" or the "Company") is pleased to announce that it has closed its previously announced private placement of an aggregate of 90,000,000 special warrants of the Company at a price of \$0.07 per special warrant for aggregate gross proceeds of \$6.3 million. The Company issued 57,142,859 special warrants to certain related parties, being Longbow Capital Limited Partnership #8, Longbow Capital Limited Partnership #9, Longbow Capital Limited Partnership #16 and Longbow Capital Limited Partnership #17. The special warrants, as well as the common shares issuable upon the conversion of the special warrants, are subject to a four-month hold period under applicable Canadian securities laws.

The offering was undertaken on a fully marketed basis by Blackmont Capital Inc., which will receive a cash commission of 5% of the gross proceeds from the sale of the special warrants that are converted into common shares in connection with the offering.

The gross proceeds of the offering of the special warrants will be held by the trustee of the special warrants and invested in approved interest bearing accounts and/or instruments pending receipt of required approvals anticipated to be received on June 17, 2008. Cruiser intends to use the net proceeds from the offering to repay debt and the balance will be used for working capital needs and general corporate purposes, including potential future acquisitions.

About Cruiser Oil & Gas Ltd.

Cruiser Oil & Gas Ltd. is a public junior oil and gas company engaged in the exploration, exploitation, acquisition and production of petroleum and natural gas in Western Canada. Cruiser is focused on re-entry and new drilling of multi-zone gas and oil prospects west of the fifth meridian.

Cruiser Oil & Gas Ltd. trades on the TSX Venture exchange under the symbol COG.

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Cautionary Statements

The information in this news release includes certain information and statements about management's view of future events, expectations, plans and prospects that constitute forward looking statements. These statements are based upon assumptions that are subject to significant risks and uncertainties. Because of these risks and uncertainties and as a result of a variety of factors, the actual results, expectations, achievements or performance may differ materially from those anticipated and indicated by these forward looking statements. Although the Company believes that the expectations reflected in forward-looking statements are reasonable, it can give no assurances that the expectations of any forward looking statements will prove to be correct. The Company disclaims any intention and assumes no obligation to update or revise any forward looking statements to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward looking statements or otherwise.

This news release does not constitute an offer to sell securities, nor is it a solicitation of an offer to buy securities, in any jurisdiction. All sales will be made through registered securities dealers in jurisdictions where the offering has been qualified for distribution. The securities offered are not, and will not be, registered under the securities laws of the United States of America, nor any state thereof and may not be sold in the United States of America absent registration in the United States or the availability of an exemption from such registration.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this news release.