

Longbow Capital Inc. Acquires Special Warrants of Cruiser Oil & Gas Ltd.

May 22, 2008

CALGARY, ALBERTA - On May 21, 2008, Longbow Capital Inc. ("**Longbow**"), through Longbow Capital Limited Partnership #8, Longbow Capital Limited Partnership #9, Longbow Capital Limited Partnership #16 and Longbow Capital Limited Partnership #17, acquired control of 57,142,859 Series 1 Special Warrants of Cruiser Oil & Gas Ltd. ("**Cruiser**") through a private placement by Cruiser of 57,142,859 Series 1 Special Warrants and 32,857,141 Series 2 Special Warrants (collectively, the "**Special Warrants**") at a price of \$0.07 per Special Warrant. Each Special Warrant is exchangeable into one common share of Cruiser ("**Common Share**") upon receipt of required approvals, as disclosed in Cruiser's press release dated April 30, 2008.

Following the exchange of the 57,142,859 Series 1 Special Warrants for Common Shares of Cruiser, Longbow together with its affiliates, insiders and associates will control (in aggregate), 106,292,859 Common Shares of Cruiser or 50% of the outstanding Common Shares of Cruiser following exchange of all of the Special Warrants for 90,000,000 Common Shares of Cruiser.

Longbow may be considered to be acting jointly or in concert with entities of which it controls and certain of its affiliates, insiders and associates, including Longbow Capital Limited Partnership #8, Longbow Capital Limited Partnership #9, Longbow Capital Limited Partnership #11, Longbow Capital Limited Partnership #12, Longbow Capital Limited Partnership #14, Longbow Capital Limited Partnership #16, Longbow Capital Limited Partnership #17, Longbow Flow-Through Investment Management 2000 Inc., Longbow Investment Management #4 Inc., 811089 Alberta Ltd., Clan Investments Ltd. and Allison Earl, under applicable securities laws.

The acquisition of Series 1 Special Warrants was for investment purposes and each of Longbow and its associates may, from time to time, as market opportunities exist or develop, increase or decrease their beneficial ownership, or control and direction over, Cruiser's Common Shares as permitted by securities law. Longbow may in the future take such actions in respect of its holdings as it may deem appropriate in light of the circumstances then existing, including acquiring control of additional Common Shares or other securities of Cruiser through open market purchases or privately negotiated transactions, or the sale of all or a portion of its holdings in the open market or in privately negotiated transactions to one or more purchasers.

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