



Richards Oil & Gas Limited Announces Thorsby Area On-Stream

Calgary, Alberta, December 18, 2008 -- Richards Oil & Gas Limited (the “Company”) (TSX Venture: RIX) announced today that natural gas production has commenced from its Thorsby property. Nine standing wells (6.9 net) have been tied in to the recently constructed Thorsby gas processing facility that has been built on time and on budget.

Production from the wellbores completed in the Edmonton sands at Thorsby commenced on December 17, 2008 with initial gross productivity in excess of 1,500 mcf per day (1,300 mcf per day net to the Company). The sales line operator is in the process of installing by-pass facilities to allow for increased production capacity in early 2009. With this new production at Thorsby, total Company net production has increased from 200 boe per day to over 400 boe per day.

An application for co-mingled production at Thorsby which was submitted in November, when approved, will add an additional estimated 500 to 600 mcf per day of net production from those wells completed in both the Horseshoe Canyon coals and Edmonton sands.

“The Thorsby gas processing facility was a key project for Richards Oil & Gas Limited in 2008 as it has allowed us to build momentum in our production growth, and has set the stage for further drilling and production additions in 2009. Completion of the project on time and on budget demonstrates the technical competency, commitment and execution skills of our team,” said Brad Turner, President and Chief Executive Officer.

The Thorsby gas processing facility is a central compression facility with a large diameter trunk line that is 75% owned and operated by the Company. The facility is designed to achieve a low inlet pressure to maximize CBM production, minimize operating costs, and will provide for low cost tie in of future development wells.

The new production provides the Company with a significant increase in cash flow that will be used in 2009 to tie in a further seven standing Thorsby wells (6.2 net) and drill new wells on the property. The magnitude of capital expenditures for 2009 will be determined by the amount of available cash flow which is affected by natural gas pricing, operating cost performance and market conditions.

About Richards Oil & Gas Limited

Richards Oil & Gas Limited is a Calgary-based exploration company, involved in the development of crude oil and natural gas, with an emphasis on the exploitation of shallow natural gas resources including coal bed methane (CBM). With a significant land base and experience in the development of CBM and conventional natural gas projects, the Company is able to capitalize on opportunities that create both short-term cash flow and long-term value for its shareholders.



Coalbed Methane (“CBM”) or Natural Gas from Coal (“NGC”) is technically defined as gas produced naturally by coalification, and found within coal natural gas reservoirs consisting predominately of methane, with smaller amounts of higher hydrocarbons, water vapor, nitrogen, carbon dioxide, or other non-hydrocarbons. The majority of gas is usually physically sorbed within the microporosity and mesoporosity within the organic matrix. The Company’s management has experience in the development of CBM and conventional gas projects, which it is using to exploit the Company’s land base and to add and sustain significant value for its shareholders.

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BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf:1bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Statements in this news release contain forward-looking information including expectations of future production, estimates of proven and probable reserves, procurement of drilling permits, plans for and results of exploration and development activities and other operational developments. The reader is cautioned that assumptions used in the preparation of such information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company. These risks include, but are not limited to; the risks associated with the oil and gas industry, commodity prices, and exchange rate changes. Industry related risks include, but are not limited to; operational risks in exploration, development and production, availability of skilled personnel and services, failure to obtain industry partner, regulatory and other third party consents and approvals, delays or changes in plans, risks associated with the uncertainty of reserve estimates, health and safety risks and the uncertainty of estimates and projections of reserves, production, costs and expenses. The reader is cautioned not to place undue reliance on this forward-looking information. The forward-looking statements contained herein are subject to change. Except as required by applicable securities laws, the Company assumes no obligation to update or revise any forward-looking statements should circumstances or management’s opinions or estimates change.

For more information go to our website at www.richardsoilandgas.com or please contact:

Brad Turner, President & CEO
Richards Oil & Gas Limited
Tel: (403) 265-8444
E-Mail: bturner@richardsoilandgas.com

Lonn Bate, CFO
Richards Oil & Gas Limited
Tel: (403) 265-8444
E-Mail: lbate@richardsoilandgas.com

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