



FOR IMMEDIATE RELEASE:

Richards Oil & Gas Limited Announces 2008 Second Quarter Results and Provides an Operational Update

Calgary, Alberta, August 20, 2008 -- Richards Oil & Gas Limited (the "Company"), (TSX Venture: RIX) is pleased to report that it has filed on SEDAR (www.sedar.com) its financial statements and related Management's Discussion and Analysis ("MD&A") of the results of operations and financial condition for the three and six month periods ended June 30, 2008. As part of this release, the Company is also providing an update of its 2008 operations to date and an outlook for the rest of the year.

SECOND QUARTER 2008 AND RECENT OPERATIONAL HIGHLIGHTS

- Increased funds from operations from 2007 by \$640,575 and \$1,252,728 for the three month and six month periods ending June 30, 2008 respectively. This increase was due to improved natural gas pricing, operational cost management, production stability and continued reduction of general and administrative costs.
- Increased average quarterly production volumes 79% to 204 boe per day up from 114 boe per day in the second quarter of 2007.
- Achieved record high operating netbacks of \$37.25 per boe in Q2 2008, a 126% increase from the \$16.51 per boe operating netback achieved in Q2 2007 due to reduced operating costs and improved pricing.
- Recompleted one well in the Morningside property adding approximately 200 mcf per day (net) of gas production in August 2008 from dry Horseshoe Canyon ("HSC") sand zones.
- Maintained financial strength with working capital of \$2.5 million and increasing positive funds from operations.
- Expanded the Company's financial flexibility by arranging a credit facility with the National Bank of Canada. This new credit facility will provide the Company up to \$4.0 million to accelerate the development of the Company's HSC Coalbed Methane ("CBM") properties and to execute on other opportunities.

SELECTED SECOND QUARTER 2008 FINANCIAL INFORMATION

\$ Amount except for per unit amounts	Three months	Three months	Six months	Six months
	ended June	ended June	ended June	ended June
	2008	2007	2008	2007
Production revenues	1,143,569	441,256	2,092,713	1,183,878
Funds from operations	121,164	(519,411)	135,657	(1,117,071)
Net loss	(479,992)	(2,254,893)	(1,031,190)	(3,208,036)
Net loss per share	(0.007)	(0.06)	(0.01)	(0.08)
Property and equipment additions	245,261	565,233	1,740,338	1,360,528
Total assets	20,605,769	24,502,829	20,605,769	24,502,829
Total liabilities	7,080,395	7,651,879	7,080,395	7,651,879
Common shares outstanding – basic	72,661,602	41,411,602	72,661,602	41,411,602
Common shares outstanding – diluted	97,851,003	45,366,602	97,851,003	45,366,602



SELECTED SECOND QUARTER 2008 OPERATIONAL INFORMATION

	Three months ended June 2008	Three months ended June 2007	Six months ended June 2008	Six months ended June 2007
Natural gas (mcf/day)	1,174	609	1,203	835
Oil and natural gas liquids (bbl/day)	8	12	10	13
Total (boe/day)	204	114	210	153
Total boe	18,541	10,391	38,241	27,768
Exit rate (boe/day)	215	82	215	82
Natural gas price (\$/mcf)	\$10.03	\$7.10	\$8.94	\$7.12
Oil price (\$/bbl)	\$100.38	\$40.60	\$78.40	\$40.82
Royalties (\$/boe)	\$6.35	\$4.43	\$6.98	\$9.14
Operating expenses (\$/boe)	\$18.08	\$21.53	\$18.03	\$15.93
Operating netback (\$/boe)	\$37.25	\$16.51	\$29.71	\$17.57

UPDATE

Thorsby

The Company drilled and completed five (3.0 net) wells in December 2007 and drilled six wells (5.6 net) in March 2008. The six wells drilled in 2008 have all been logged and evaluated for productive zones. Three of these six wells have been perforated in the Belly River formation with fracture stimulation and production testing to be completed in late August 2008. Production testing in the Thorsby area to date indicates that estimated production from the Company's wells will be between 80 mcf per day and 150 mcf per day with an approximate average of 125 mcf per day.

To date the Company has earned and acquired 14 sections of land with a 72% average working interest and a 30% interest in a gas sales pipeline in the Thorsby area. The Company has an option to earn an additional nine sections of land contiguous to its current lands. To ensure these lands are earned prior to expiry the Company has initiated drilling program to be completed before the end of 2008. With the successful completion of the drilling program in Thorsby, the Company will have earned and acquired 23 sections of land with an 83% average working interest.

Planning activities associated with the compression and gathering facilities have been completed and construction activities will commence in late September 2008. This planning activity has been a major focus for the Company in 2008. The planned facilities include high efficiency central compression which will allow for low cost additions of future in-fill drilling and will result in significantly lower operating costs than with decentralized compression. Given the long Reserve Life Index of over 20 years for this production there is substantial value in establishing low cost gas gathering and compression facilities in this new core area for the Company.

Morningside & Lacombe

In Morningside, the Company has recompleted one existing well in the HSC sands providing an estimated addition of 200 mcf per day of net production in August 2008. Production from the 15 wells in the area currently averages 110 mcf per day (gross) per well and total net production is approximately 1,000 mcf per day or 165 boe per day. Lacombe has 16 non-operated wells on production delivering approximately 320 mcf per day (net) or 53 boe per day.

Crossfield

There are currently 2 standing wells completed in HSC coals and sands that have flow tested at over 100 mcf per day and the Company has been evaluating tie-in and further development options. There are 18 gross additional HSC CBM drilling locations. The Company has all mineral rights and 3D seismic on this property and is evaluating conventional gas and oil targets in addition to the CBM development.



Ardley

In July the Company cleaned out and flow tested the multi-lateral horizontal well drilled into the Ardley coals on its Ansell property. This multi-lateral well continues to show no appreciable gas flow and therefore does not justify a tie-in and a long-term flow test at this time.

While not yet commercial based on initial flow rates, drilling cost and estimated production costs, the activity to date does demonstrate the existence of “dry” coal (no produced water), permeability and gas flow. The Company will continue to work to resolve the technical requirements of economically drilling the Ardley coals and will also complete a comprehensive analysis and model using data gathered from the 10 vertical and 2 horizontal wells drilled to date in the Ardley coals. Richards Oil & Gas Limited’s land position prospective for Ardley CBM is 35 sections (23 net) earned.

Corporate

Subsequent to June 30, 2008, the Company terminated its previous \$1,500,000 financing commitment with a Canadian chartered bank and replaced it with a \$4,000,000 credit facility with the National Bank of Canada. The primary credit facility now in place for Richards Oil & Gas Limited consists of a \$2,000,000 revolving operating demand loan. The Company has also established a second credit facility consisting of a \$2,000,000 non-revolving acquisition/development demand loan. Together these facilities will allow the Company to accelerate the development of its Horseshoe Canyon CBM properties and to execute on other opportunities.

Mr. John Morgan has resigned as a Director of the Company effective August 31, 2008 due to additional time commitments required for his position with Infinito Gold Ltd. The Board of Directors have elected to not replace this Director position at this time and would like to thank John for his guidance and assistance to the Company over the past year.

OUTLOOK

The Company will utilize its current working capital, credit facilities and its expected operational cash flow to continue to increase production volumes and earn lands. This use of capital will increase production volumes and allow the Company to earn an additional nine sections of land by the end of 2008. The Company has over 130 potential Horseshoe Canyon CBM drilling locations which can provide considerable production and reserve growth beyond 2008.

In addition to CBM, the Company has identified a number of conventional gas and oil opportunities on existing properties and will be evaluating self funded or farm-in activities to drill, test and tie-in these opportunities.

The increased production from 2008 drilling and tie-in activities along with improved net backs and reduced general and administrative costs will continue to increase the Company’s positive cash flow which will be reinvested in future production and revenue growth.

In addition to growth from existing development opportunities the Company continues to review the market for acquisition and merger opportunities to accelerate its growth and economies of scale. All opportunities are evaluated in detail to ensure they are not only strategically beneficial but also accretive.



Richards Oil & Gas Limited (www.richardsoilandgas.com) is a Calgary-based exploration company, involved in the development of crude oil and natural gas, with an emphasis on the exploitation of coal bed methane (“CBM”). The Company’s strategy is use its significant land base and industry-leading experience in the development of CBM and conventional projects to capitalize on opportunities that create both short-term cash flow and long-term value for its shareholders by balancing higher risk exploitation with lower risk development opportunities and earning additional land positions wherever possible.

Coalbed Methane (“CBM”) or natural gas from coal 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 extensive experience in the development of CBM projects, which it is using to exploit the Company’s land base and to add and sustain significant value for its shareholders.

ADVISORY

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, 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.

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*The TSX Venture Exchange has not reviewed and does not accept responsibility
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