



## Richards Oil & Gas Reports First Quarter 2008 Results

Calgary, Alberta, May 22, 2008 -- Richards Oil & Gas Limited (the "Company") (TSX Venture: RIX) is pleased to report that it has filed on SEDAR ([www.sedar.com](http://www.sedar.com)) its unaudited financial statements and related Management's Discussion and Analysis ("MD&A") of the results of operations and financial condition for the three month period ended March 31, 2008.

### FIRST QUARTER 2008 HIGHLIGHTS

- Increased quarterly production volumes 13% to 217 boe per day up from 193 boe per day in Q1 2007
- Decreased general and administrative costs by 51% from Q1 2007
- Reached the milestone of generating positive cash flow on a quarterly basis with funds from operations of \$14,493 in the first quarter of 2008 which was achieved by increased production, reduced general and administrative costs and the current sales price for natural gas
- Reported a 25% increase in unconventional coal bed methane ("CBM") proved plus probable reserves to 10.6 bcf (1,765 Mboe)
- Established a new Horseshoe Canyon CBM play in Thorsby, Alberta substantially increasing the Company's landholdings in this area with over 23 net sections of earned and optioned lands
- Completed the tie in of 6 (2.4 net) Horseshoe Canyon CBM wells on the Company's Morningside property increasing exit rate production levels to 220 boe per day
- Replaced declining conventional gas production with stable, long life CBM production (90% of current natural gas production is now from CBM versus 22% in first quarter 2007)
- Drilled 6 (5.6 net) wells in the Thorsby area, current standing wells of 11 (8.6 net)
- Maintained financial strength with working capital of \$2.6 million and an available bank line of \$1.5 million at the end of March 2008
- Promoted Mr. Ferdie Artzen to Vice President, Land in January 2008

### SELECTED FINANCIAL INFORMATION

\$ Amount except for per share information	Three months ended March 31		
	2008	2007	Change
Production revenues	949,144	742,622	28%
Funds from operations	14,493	(597,660)	n/a%
Net income (loss)	(551,198)	(953,143)	42%
Net income (loss) per share	(0.01)	(0.02)	50%
Property and equipment additions	1,495,077	795,294	88%
Total assets	22,927,300	27,705,050	(17%)
Total liabilities	9,039,476	10,272,718	(12%)
Common shares outstanding – basic	72,661,602	41,187,756	76%
Common shares outstanding – diluted	96,931,003	52,293,692	85%



## SELECTED OPERATIONAL INFORMATION

	Three months ended March 31		
	2008	2007	Change
Natural gas (mcf/day)	1,232	1,065	16%
Oil and natural gas liquids (bbl/day)	12	16	(25%)
Total (boe/day)	217	193	13%
Total boe	19,700	17,377	13%
Exit rate (boe/day)	220	166	33%
Natural gas price (\$/mcf)	\$7.90	\$7.13	11%
Oil price (\$/bbl)	\$60.17	\$41.02	47%
Royalties (\$/boe)	\$7.58	\$11.94	(37%)
Operating expenses (\$/boe)	\$17.99	\$12.59	43%
Operating netback (\$/boe)	\$22.61	\$18.21	24%

Management continues to work on improving its operating and general and administrative expense metrics both of which are expected to show improvements as production volumes increase.

## OUTLOOK

The operating environment for the Company continues improve with natural gas prices remaining at an increased level of over 30% greater than 2007 and field service costs have not increased as industry activity has not yet recovered.

The Company will utilize its current working capital and operational cash flow to continue to increase production volumes and earn lands. The increased production from 2008 drilling and tie-in activities along with reduced operating and general & administrative costs will continue to increase the Company's positive cash flow which will be reinvested in future production and revenue growth. The Company has over 140 potential Horseshoe Canyon CBM drilling locations which provide significant room for growth.

The Company's focus will continue to be on developing projects with the greatest near-term potential, particularly its operated high working interest core areas with "dry" CBM and those in close proximity to gas gathering infrastructure.

The Company's financial statements and related MD&A for the three months ended March 31, 2008 can be accessed at [www.sedar.com](http://www.sedar.com) or [www.richardsoilandgas.com](http://www.richardsoilandgas.com). Those investors who do not have access to the internet can obtain copies of the financials and related MD&A without charge by contacting Richards Oil & Gas Limited at (403) 265.8444.

Richards Oil & Gas Limited ([www.richardsoilandgas.com](http://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 experience in the development of CBM 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 where ever possible.



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 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.

#### ADVISORIES

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.

For more information, please contact:

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

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

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