



FOR IMMEDIATE RELEASE

RICHARDS OIL AND GAS LIMITED REPORTS FIRST QUARTER 2009 RESULTS

Calgary, Alberta, May 28, 2009 -- Richards Oil & Gas Limited (the "Company"), (TSX Venture: RIX) has released its first quarter 2009 financial and operating results for the three months ended March 31, 2009. The results include the Company's unaudited financial statements and related Management's Discussion and Analysis ("MD&A"). These filings are available on SEDAR ([www.sedar.com](http://www.sedar.com)) and on the Company's website.

**SELECTED FINANCIAL INFORMATION**

	Three months ended March 31		
	2009	2008	Change
Production revenues	533,295	949,144	(44%)
Net income (loss)	(11,502,246)	(551,198)	1,987%
Net income (loss) per share	(0.16)	(0.01)	1,500%
Property and equipment additions	400,960	1,495,077	(73%)
Total assets	12,395,252	22,927,300	(46%)
Total liabilities	11,817,167	9,039,476	31%
Common shares outstanding – basic	72,661,602	72,661,602	nil%
Common shares outstanding – diluted	96,648,038	96,931,003	(0.3%)

**SELECTED OPERATIONAL INFORMATION**

	Three months ended March 31		
	2009	2008	Change
Natural gas (mcf/day)	1,161	1,232	(6%)
Oil and natural gas liquids (bbl/day)	8	12	(33%)
Total (boe/day)	202	217	(7%)
Exit rate (boe/day)	216	220	(2%)
Natural gas price (\$/mcf)	\$4.87	\$7.90	(38%)
Oil price (\$/bbl)	\$30.92	\$60.17	(49%)
Royalties (\$/boe)	\$3.26	\$7.58	(57%)
Operating expenses (\$/boe)	\$22.06	\$17.99	23%
Operating netback (\$/boe)	\$4.04	\$22.61	(82%)



## FINANCIAL RESULTS

The net loss for the first quarter of 2009 was \$11,502,246 which compares to a net loss of \$551,198 in the first quarter of 2008. Included in the net loss experienced in the first quarter of 2009 is an impairment charge of \$10,500,000 on the Company's oil and gas properties. This impairment charge is due entirely to the considerable decline in forecasted natural gas prices as at March 31, 2009.

## OPERATIONS

Oil and gas production revenues decreased to \$533,295 in the first quarter of 2009 from \$949,144 in the same period in 2008. This decrease is primarily a result of lower natural gas prices received and slightly lower production volumes achieved. Natural gas production year over year fell seven percent as net production for the first quarter of 2009 was 202 BOE per day compared with 217 BOE per day for the first quarter of 2008.

Current natural gas production levels are considerably lower than expected primarily as a result of operational issues experienced at the Company's Thorsby property. Production from the Company's wells that targeted the Edmonton sand intervals have formation water entering the wellbores and therefore have inhibited gas flow. The Company is currently evaluating production alternatives to remove this water from the wellbores and re-configuring the gathering system to allow for the production of water in association with the natural gas.

The first quarter of the 2009 capital expenditures were minimal. The Company spent \$400,960 on completing and testing its Horseshoe Canyon CBM wells and on the completion of the gathering system in the Thorsby area. Currently at the Company's Thorsby area, four wells (3.6 net) that are tied-in are awaiting further completion work and seven gross wells, (7.0 net) were awaiting tie-in at March 31, 2009.

## OUTLOOK

Production challenges experienced on start-up at the Company's Thorsby property has resulted lower than expected initial production volumes negatively impacting the expected initial cashflows from this property. When the effect of these lower than expected initial production volumes are combined with the current natural gas prices, the result is that only nominal cashflow is currently being generated from the Company's operating areas.

Until natural gas prices recover considerably and the Company is in a position to undertake a capital program to increase production at Thorsby, the Company will continue to generate negative cashflow from operations. To mitigate the impact on cashflow from operations in the near term, some of the Company's less economic wells are being evaluated for shut-in as this may be the most appropriate course of action while natural gas pricing remains depressed.

At March 31, 2009, the Company has a net working capital deficit of \$3,966,701. The working capital deficit is due to drawings on the Company's credit facilities and accounts payable associated with the large capital program undertaken in the last quarter of 2008. The Company has, at present, total credit facilities of \$3,600,000. Subsequent to March 31, 2009, the Company has realized cash proceeds of \$220,000 from the sale of certain non-core heavy oil assets in an effort to reduce its net working capital deficit.

Recent market events, including disruptions in credit markets and other financial systems and the deterioration of global economic conditions have resulted in significant declines in commodity prices. As a result of the current commodity price and credit environment, management is considering financing opportunities to fund its future prospects and commitments, farming out interests in its oil and gas properties, further asset dispositions and strategic alternatives to continue operations. The Company will also consider its option to pay the interest payment on its convertible debenture obligation due on June 30, 2009 in common shares of the Company.



#### 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.

#### 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, 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, 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)

Corporate website address:

<http://www.richardsoilandgas.com>

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