



NEWS RELEASE

November 10, 2011

LEGACY OIL + GAS INC. ANNOUNCES THIRD QUARTER 2011 RESULTS, CURRENT PRODUCTION IN EXCESS OF 15,000 BOE PER DAY AND INCREASE TO BANK LINE

CALGARY, ALBERTA (November 10, 2011) Legacy Oil + Gas Inc. ("Legacy" or the "Company") (TSX:LEG) is pleased to announce it has filed on SEDAR its interim financial statements and related Management's Discussion and Analysis ("MD&A") for the three and nine months ended September 30, 2011. Selected financial and operational information is outlined below and should be read in conjunction with the interim financial statements and the related MD&A which are available for review at www.legacyoilandgas.com or www.sedar.com.

Financial + Operational Highlights	Three Months Ended September 30			Nine Months Ended September 30		
	2011	2010	% change	2011	2010	% change
Financial (Cdn \$000's, except per share amounts)						
Petroleum and natural gas sales, net of royalties	72,617	52,389	39	206,233	118,863	74
Funds generated by operations ⁽¹⁾	44,160	34,656	27	128,542	82,200	56
Per share basic	0.31	0.28	11	0.92	0.90	2
Per share diluted ⁽²⁾	0.31	0.28	11	0.90	0.89	1
Net income (loss)	7,905	(7,266)	209	11,936	(4,729)	352
Per share basic	0.06	(0.06)	200	0.09	(0.05)	280
Per share diluted ⁽²⁾	0.05	(0.06)	183	0.08	(0.05)	260
Capital expenditures (excluding acquisitions)	101,783	40,663	150	217,029	118,009	84
Acquisitions (cash consideration)	11,668	231,705	(95)	111,546	251,074	(56)
Net debt and working capital surplus (deficit)	(317,190)	(194,195)	63	(317,190)	(194,195)	63
Operating						
Production						
Crude oil (Bbbls per day)	8,822	7,876	12	8,270	6,432	29
Heavy oil (Bbbls per day)	229	-	n/a	292	-	n/a
Natural gas (Mcf per day)	14,284	13,228	8	13,402	5,355	150
Natural gas liquids (Bbbls per day)	1,210	1,050	15	1,102	383	188
Barrels of oil equivalent (Boe per day) ⁽³⁾	12,642	11,130	14	11,898	7,707	54
Average realized price						
Crude oil (\$ per Bbl)	89.40	74.27	20	91.66	75.20	22
Heavy oil (\$ per Bbl)	67.02	-	n/a	69.24	-	n/a
Natural gas (\$ per Mcf)	3.99	3.72	7	4.10	3.79	8
Natural gas liquids (\$ per Bbl)	65.38	55.53	18	66.62	54.31	23
Barrels of oil equivalent (\$ per Boe) ⁽³⁾	74.37	62.21	20	76.21	68.09	12
Netback (\$ per Boe)						
Petroleum and natural gas sales	74.37	62.21	20	76.20	68.09	12
Royalties	11.93	11.05	8	12.71	11.60	10
Operating expenses	16.08	10.53	53	15.14	11.00	38
Transportation expenses	2.76	1.44	92	2.59	1.56	66
Operating Netback (\$ per Boe)	43.60	39.19	11	45.76	43.93	4
Undeveloped land holdings (gross acres)	654,785	567,970	15	654,785	567,970	15
(net acres)	499,224	435,020	15	499,224	435,020	15
Common Shares (000's)						
Common shares outstanding, end of period	143,256	125,876	14	143,256	125,876	14
Weighted average common shares (basic)	143,256	122,061	17	140,105	91,448	53
Weighted average common shares (diluted) ⁽²⁾	144,211	122,879	17	143,151	92,606	55

- (1) Management uses funds generated by operations to analyze operating performance and leverage. Funds generated by operations, as presented, does not have a standardized meaning prescribed by IFRS and therefore it may not be comparable with the calculation of similar measures for other entities.
- (2) In calculating the net income (loss) per share diluted, Legacy Oil + Gas Inc. ("Legacy" or the "Company") excludes the effect of outstanding stock options and share warrants outstanding and uses the weighted average common shares (basic) where the Company has a net loss for the period. In calculating, funds generated by operations per share diluted, the Company includes the effect of outstanding stock options and share warrants using the treasury stock method.
- (3) Boe means barrel of oil equivalent. All Boe conversions in this report are derived by converting natural gas to oil equivalent at a ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent. Boe may be misleading, particularly if used in isolation. A Boe conversion rate of 1 Boe: 6 Mcf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

ACCOMPLISHMENTS

- Increased average production from 11,130 Boe per day in the third quarter of 2010 to 12,642 Boe per day in the third quarter of 2011 (14 percent increase). Third quarter average production represents an increase of 24 percent compared to second quarter 2011 volumes. On a year-to-date basis, average production for the nine months ended September 30, 2011 of 11,898 Boe per day represents an increase of 54 percent over the nine months ended September 30, 2010
- Current production is in excess of 15,000 Boe per day which represents an increase of 47 percent over second quarter 2011 average volumes and demonstrates Legacy's organic program is delivering strong results and is on-track to reach the Company's previously announced 2011 exit production target of 15,750 Boe per day
- At Bottineau County, North Dakota, the three Spearfish horizontal wells brought on production in June 2011 continue to produce above type curve, with average rates over the first five months of production averaging 82 Boe per day per well. Legacy has one rig drilling in the area and expects to drill up to six wells before year end. In addition, recent drilling at Pierson, Manitoba has demonstrated significant success, with the five most recent wells showing initial production rates in excess of 100 Boe per day with low water cuts
- Legacy has initiated completion operations with a 10 stage acid fracture stimulation on the first Rundle well drilled in this year's program at Turner Valley. Initial flowback/swab results are expected in 7 to 10 days. The Company currently has three rigs drilling at Turner Valley and expects to finish drilling two additional horizontal wells before the end of November and immediately proceed with multi-stage acid fracture completion operations. In addition, Legacy has begun application of a new pumping technology, initially tested late in 2011, which has tripled production in its first well from 20 Boe per day to 60 Boe per day
- Increased funds generated by operations from \$34.7 million in the third quarter of 2010 to \$44.2 million in the third quarter of 2011 (27 percent increase). Increased funds flow from operations per share (basic) from \$0.28 in the third quarter of 2010 to \$0.31 in the third quarter of 2011 (11 percent increase)
- Increased net income from a loss of \$7.3 million in the third quarter of 2010 to a gain of \$7.9 million in the third quarter of 2011 (209 percent increase). Increased net income per share (basic) from a loss of \$0.06 in the third quarter of 2010 to a gain of \$0.06 in the third quarter of 2011 (200 percent increase)
- On a year-to-date basis, funds generated by operations increased 56 percent year-over-year to \$128.5 million and net income increased 352 percent to \$11.9 million
- Operating netbacks improved 11 percent to \$43.60 per Boe in the third quarter of 2011 compared to the third quarter of 2010
- In a recent scheduled review, Legacy's syndicate of lenders agreed to increase the borrowing base to \$450 million from \$400 million, subject to formal documentation
- Drilled 42 gross (32.1 net) wells with a 100 percent drilling success in the third quarter of 2011
- Increased undeveloped land holdings from 435,020 net acres at the end of the third quarter of 2010 to 499,224 net acres at the end of the third quarter of 2011 (15 percent increase)

OPERATIONS OVERVIEW

Legacy participated in the drilling of 42 gross (32.1 net) wells targeting light oil with a 100 percent success rate. The Company spent \$101.8 million on capital expenditures in the quarter: \$78.1 million on drilling and completions, \$14.0 million on equipping and facilities and \$8.7 million on land, seismic and other.

At Bottineau County, North Dakota, the three Spearfish horizontal wells brought on production in June, 2011 continue to produce above the type curve, with oil rates over the first five months of production averaging 82 Boe per day per well. Legacy has one rig drilling in the area and expects to drill up to six wells before year end. These wells have confirmed the presence of an emerging light oil resource play in the Spearfish and proven the productive potential of a large portion of Legacy's Bottineau County acreage position of 50,836 net undeveloped acres. In addition, recent drilling at Pierson, Manitoba has demonstrated significant success, with the five most recent wells showing initial production rates in excess of 100 Boe per day with low water cuts.

Legacy has initiated completion operations with a 10 stage acid fracture stimulation on the first Rundle well drilled in this year's program at Turner Valley. Initial flowback/swab results are expected in 7 to 10 days. The Company currently has three rigs drilling at Turner Valley and expects to finish drilling two additional horizontal wells before the end of November and immediately proceed with multi-stage acid fracture completion operations. Legacy's horizontal multi-stage acid fracture stimulation recompletion continues to perform favourably. Prior to the fracture stimulation, this was a poorly performing seven year old Rundle horizontal well and the multi-stage acid fracture recompletion in February 2011 resulted in an initial four-fold increase over the unstimulated oil production rate. The well's current production is approximately 75 Boe per day, nine months after the stimulation. In addition, Legacy has designed and constructed a portable jet pump skid to better optimize production in Turner Valley, as a result of the successful pilot project run last fall. The jet pump has been operational for approximately one month and has resulted in a three-fold increase in production rates from 20 Boe per day to 60 Boe per day on a marginal 10 year old unstimulated re-entry horizontal well. An extended production test will be completed and additional optimization candidate wells will be tested in the future.

Legacy has continued to improve upon fracture stimulation design and execution in its Stoughton/Heward and Star Valley areas. The Company identified the potential improvements that could be realized in oil rate and reduction of initial water cut over two years ago when these areas were acquired. Legacy has been at the forefront of evolving the Bakken stimulation program to more, smaller tonnage fracs, minimizing fluid volumes and improved frac fluid design. Improvements have been seen over the past two years and the Company has continued to refine the frac design. Recent wells have demonstrated 30 day initial production rates of approximately 150 Boe per day and water cuts as low as 25 percent compared to the pre-Legacy operated historical average of 125 Boe per day and 57 percent water cut. The Company believes that over time, the improved initial performance should lead to positive technical revisions to reserve bookings.

In the southern Alberta Bakken play, Legacy's first horizontal well at Spring Coulee was put on production in late October. Legacy's second operated well at Kipp finished drilling in late September and completion operations/flowback are continuing with light oil from the formation currently being produced. This well directly offsets the successful Big Valley vertical well at 10-30-8-23 W4M which has recovered in excess of 245 MBbl of oil and virtually no water to-date. The Company anticipates shooting a 100 square mile 3-D program in early 2012.

At Maxhamish, British Columbia, Legacy drilled two horizontal wells in the third quarter of 2011. The first well was completed with a multi-stage fracture stimulation in September and brought on production in mid-October. The second horizontal well has recently been completed with a multi-stage fracture stimulation and is producing light oil from the formation and load fluid on clean-up. This well is anticipated to be on production in mid-December after a pressure build-up test and tie-in.

The unprecedented wet weather and spring break-up conditions, along with the costs associated with navigating these challenges, persisted into the early part of the third quarter 2011. Drilling, completion and tie-in activities slowly ramped up through the quarter as access improved while the Company executed a record number of well workovers in an effort to restore production as quickly as possible. The Company completed three times as many workovers in the third quarter

of 2011 compared to the first quarter of 2011 which accounted for approximately \$2.00 per Boe of corporate operating costs. Legacy anticipates a reduction of approximately \$2.00 to \$3.00 per Boe in operating and transportation costs going forward as field conditions have improved, eliminating a number of one-time expenditures.

EVENTS AFTER THE REPORTING PERIOD

Legacy also announces that its banking syndicate led by BMO Capital Markets and including National Bank, the Bank of Nova Scotia, ATB Financial, Canadian Imperial Bank of Commerce, Société Générale (Canada Branch), JPMorgan Chase Bank NA and The Toronto-Dominion Bank has completed its fall review and has agreed to increase the borrowing base to \$450 million, from the previous \$400 million, subject to formal documentation. The next interim review is scheduled to occur by April 30, 2012. The increase continues to provide Legacy with significant financial flexibility with which to conduct its operations and underscores the quality of our producing asset base.

Legacy is pleased to announce the addition of Bill Wee to the management team as Vice President, Operations. Mr. Wee is a professional engineer with 28 years of oil and natural gas experience in reservoir, exploitation, and production engineering, drilling, completions, facilities, field operations, joint ventures, marketing and acquisitions. He holds Master of Engineering and Bachelor of Science in Chemical Engineering degrees from the University of Calgary. He is a member of APEGGA and has served on council of the Vermilion Branch of APEGGA.

OUTLOOK AND EXIT GUIDANCE

With the severe spring break-up in the second quarter and early part of the third quarter of 2011 behind us, Legacy's production and field activity have dramatically recovered. Current production is in excess of 15,000 Boe per day and we have 10 operated rigs drilling, with the delivery of two new build rigs anticipated before year end. The Company continues to expect to exit the year at or above 15,750 Boe per day of production, as previously disclosed.

Success in Bottineau County, North Dakota, has confirmed the presence of an emerging light oil resource play in the Spearfish and proven the productive potential of a large portion of Legacy's Bottineau County acreage. As detailed earlier, production rates have remained strong over time and are above the anticipated type curve for the area. Legacy has recently finished drilling its first Spearfish well in this fall's program and has spud the second; the Company has retrofitted the drilling rig with a top drive to effect better efficiencies and cost savings, similar to our current experience in Pierson. Legacy has 50,836 net undeveloped acres in the area which could lead to potentially more than 570 net unrisked horizontal locations, based on eight wells per section spacing. Competitors in Manitoba, less than two miles away, are developing the Spearfish with 24 wells per section. The Company has no reserves or locations associated with Bottineau County in its current inventory.

At Pierson, Manitoba, the Company fractured stimulated 11 wells that were drilled by the previous operator and not completed and had been waiting on completion for up to 10 months. Some of these wells have begun production with a higher water cut and are cleaning up slowly due to the length of time they sat uncompleted. The Company anticipates improved oil rates from these wells over time. These results are in contrast to the wells recently drilled by Legacy which have on average demonstrated oil rates and water cuts at or better than the type curve; the best wells are producing in excess of 150 Boe per day with a water cut less than 30 percent. Legacy has identified 234 net Spearfish horizontal locations in Pierson, based on eight wells per section spacing. The Company has made good progress in improving operational efficiencies and has reduced typical drilling times from nine days per well to five days per well for 1,400 m long horizontal laterals. Currently one drilling rig is working in Pierson and a second rig will be mobilized in early December to further accelerate development of the Spearfish play in Manitoba. Spearfish light oil development drilling in North Dakota and Manitoba is expected to form a significant portion of Legacy's 2012 capital budget.

Legacy is operating three drilling rigs in Turner Valley and anticipates drilling up to six Rundle horizontal wells by year end 2011. The wells are planned to be completed with a 10 stage acid fracture stimulation and the Company has secured the necessary services to complete this work, including sufficient quantities of acid.

In the southern Alberta Bakken play, Legacy is encouraged by the early results from the production of its first horizontal well at Spring Coulee and the early completion results from the second horizontal well at Kipp. A large amount of geological, reservoir, fluid and, ultimately, production information from both wells will be analyzed and the results will be incorporated into future development plans.

At Maxhamish, Legacy believes the contiguous 109 gross sections of operated land encompass a significant resource of light (42° API) sweet oil in the Chinkeh formation that can be exploited utilizing horizontal multi-stage fracture stimulation technology. There is no analog for horizontal well production from the Chinkeh and effective exploitation of this areal extensive sheet sand reservoir will require additional optimization of the completion program to improve upon previous results. The Company is encouraged by the early production results from the first well drilled in this year's program and swab results from the second well drilled this year are also positive. Both wells are scheduled to be shut-in for pressure build up testing and tie-in to surface facilities.

Legacy's business plan has remained unchanged since our inception in July 2009. Our focus on high quality, high netback, light oil assets comprised of large in-place oil resources with low recovery factors and a multi-dimensional opportunity inventory, supported by a predictable production and cash flow base and strong balance sheet, has been maintained. As previously stated, the weather and access delays in the spring and summer 2011 only delayed the timing of our capital program; the underlying asset quality and significant light oil inventory has not been eroded. The quality of assets and program is evidenced by our current production and reconfirmed exit guidance. Our team at Legacy has always applied a consistent technical approach and resolute perseverance to deliver positive results on our capital initiatives. The benefits of our strategy, diligence and successful execution will continue to show positive results in the remainder of 2011 and beyond.

Legacy is a uniquely positioned, well-capitalized, technically driven, intermediate oil and natural gas company with a proven management team committed to aggressive, cost-effective growth of light oil reserves and production in large hydrocarbon in-place assets and resource plays. Legacy's common shares trade on the Toronto Stock Exchange under the symbol LEG.

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Forward-Looking Information – This press release contains forward-looking statements. More particularly, this press release contains forward-looking statements concerning planned exploration, development and completion activities, an anticipated reduction in operating and transportation costs going forward, the anticipated 2011 exit rate of production, the potential number of drilling locations in Bottineau County, North Dakota and Pierson, Manitoba, anticipated improved oil rates from recently completed wells at Pierson, Manitoba, the potential impact of improved initial production in Stoughton/Heward and Star Valley areas on reserve bookings, the expectation that capital expenditures on Spearfish light oil development in North Dakota and Manitoba will form a significant portion of Legacy's 2012 capital budget and the exploitation potential of Legacy's Maxhamish property.

The forward-looking statements contained in this press release are based on certain key expectations and assumptions made by Legacy, including expectations and assumptions concerning the success of future drilling and development activities, the performance of existing wells, the performance of new wells, the availability and performance of facilities and pipelines, the geological characteristics of Legacy's properties, the successful application of drilling, completion and seismic technology, prevailing weather conditions, commodity prices, royalty regimes and exchange rates, the application of regulatory and licensing requirements and the availability of capital, labour and services.

Although Legacy believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Legacy can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, risks associated with the oil and gas industry in general (which include operational risks in development, exploration and production; risk that there will be delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses; the uncertainty of well performance; and health, safety and environmental risks), uncertainty as to weather conditions, uncertainty as to the availability of labour and services, commodity price and exchange rate fluctuations and changes to existing laws and regulations. These and other risks are set out in more detail in Legacy's Annual Information Form which has been filed on SEDAR and can be accessed at www.sedar.com.

The forward-looking statements contained in this press release are made as of the date hereof and Legacy undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

MEANING OF BOE: When used in this press release, Boe means a barrel of oil equivalent on the basis of 1 Boe to 6 thousand cubic feet of natural gas. Boe/d means a barrel of oil equivalent per day. Boe's may be misleading, particularly if used in isolation. A Boe conversion ratio of 1 Boe for 6 thousand cubic feet of natural gas is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.