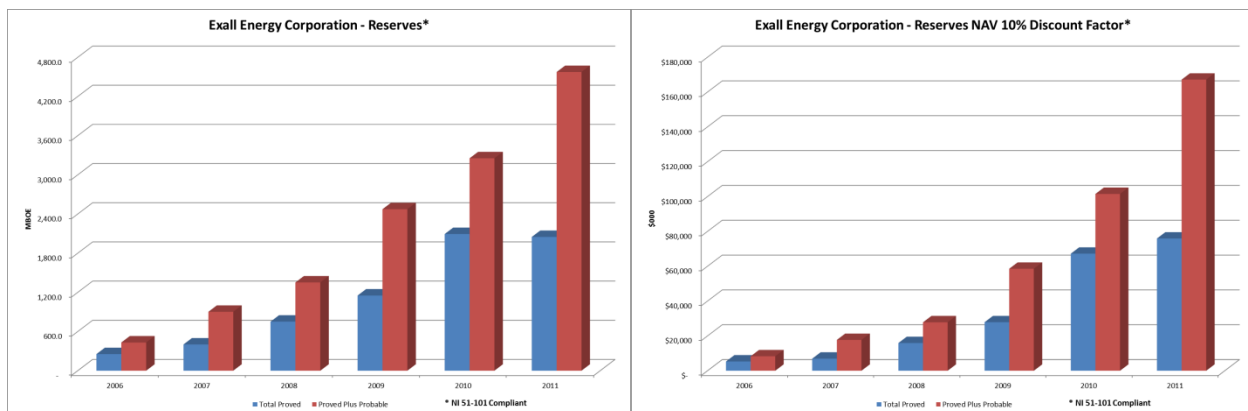


EXALL ENERGY CORPORATION ANNOUNCES DECEMBER 31, 2011 THIRD PARTY RESERVES ASSESSMENT

CALGARY, February 6, 2012: Exall Energy Corporation (“Exall” or the “Company”) (TSX:EE) is pleased to announce the results of its independent third party NI 51-101 compliant reserves assessment. Exall's public filings can all be found at www.exall.com or www.sedar.com.

Highlights:

- Proved plus probable net present value per share of \$2.46 (Before Tax, discounted at 10%) based on 68.1 million fully diluted shares
- Company working interest reserves are 2,048.3 Mboe total proved and 4,574.5 Mboe proved plus probable, a 41% increase from 2010
- The net present value of the proved plus probable reserves increased 65% from 2010 to \$167.1 million, discounted at 10 percent, forecast prices, before tax
- Reserve life index of 4.9 years total proved and 11.0 years proved plus probable based on the 2011 annual average production rate and year-end reserves
- 3D Seismic drilling success prompts January 31, 2012 reserves update



2011 Reserve Report

Exall retained AJM / Deloitte Petroleum Consultants (“AJM”) to conduct an independent evaluation of Exall’s oil and gas reserves effective December 31, 2011, which was provided to Exall in an Evaluation Report dated February 2, 2012 (herein referred to as the “AJM Evaluation”). The oil and gas reserves and income projections were estimated by AJM in accordance with the Canadian Oil and Gas Handbook (“COGEH”) and National Instrument 51-101 (“NI 51-101”).

Summary of Reserve Value – Forecast Pricing

The following tables, extracted from the AJM Evaluation, summarize the Corporation’s total reserves and net present values of future net reserves based on forecast pricing and costs as at December 31,

2011. It should not be assumed that the estimated future net cash flow shown below is representative of the fair market value of the Company's properties. There is no assurance that such price and cost assumptions will be attained and variances, both positive and negative, could be material.

Company Gross Reserves ⁽¹⁾ as at December 31, 2011	Light & medium oil (Mbbbl)	Natural gas (MMcf)	NGL (Mbbbl)	Total (Mboe)
Proved developed producing	1,800.0	970.2	24.6	1,986.3
Proved developed non-producing	0.0	0.0	0.0	0.0
Proved undeveloped	18.8	224.4	5.7	62.0
Total proved	1,818.8	1,194.6	30.3	2,048.3
Probable	2,390.6	705.9	17.9	2,526.2
Total proved plus probable	4,209.5	1,900.6	48.2	4,574.5

(1) Columns and rows may not add due to rounding

Forecast Net Revenue ⁽¹⁾ as at December 31, 2011	Before Income Tax \$000s, discounted at			
	0%	5%	10%	15%
Proved developed producing	92,708.9	82,730.4	74,951.1	68,732.4
Proved developed non-producing	0.0	0.0	0.0	0.0
Proved undeveloped	2,292.5	1,443.6	972.3	685.9
Total proved	95,001.4	84,174.0	75,923.4	69,418.3
Probable	126,739.9	105,953.0	91,189.5	80,154.4
Total proved plus probable	221,741.4	190,127.0	167,113.0	149,572.7

(1) Columns and rows may not add due to rounding

Forecast Net Revenue ⁽¹⁾ as at December 31, 2011	After Income Tax \$000s, discounted at			
	0%	5%	10%	15%
Proved developed producing	84,051.5	74,877.6	67,760.3	62,094.3
Proved developed non-producing	0.0	0.0	0.0	0.0
Proved undeveloped	1,980.7	1,201.8	780.8	531.5
Total proved	86,032.1	76,079.4	68,541.1	62,625.8
Probable	95,648.6	79,363.0	67,891.3	59,363.5
Total proved plus probable	181,680.7	155,442.4	136,432.4	121,989.3

(1) Columns and rows may not add due to rounding

Summary of Forecast Pricing

Future prices used in the forecast of net revenue are based on those estimated by AJM as at December 31, 2011. The following table sets forth the relevant portions of AJM's forecast of commodity prices and costs used in the AJM Evaluation:

Year	WTI	Edmonton	Natural Gas	Natural Gas Liquids			Currency	Price	Cost
	Crude Oil (\$US/BBL)	City Gate (\$CDN/BBL)	at AECO (\$CDN/MCF)	Edm. Propane (\$CDN/BBL)	Edm. Butane (\$CDN/BBL)	Edm. C ⁵⁺ (\$CDN/BBL)	Exchange Rate (\$US/CDN)	Inflation Rate (%)	Inflation Rate (%)
2012	100.00	98.00	3.50	53.90	83.30	102.90	1.00	0.0	0.0
2013	102.00	100.00	4.10	55.00	85.00	105.00	1.00	2.0	2.0
2014	104.05	102.00	4.70	56.10	86.70	107.10	1.00	2.0	2.0
2015	106.10	104.00	5.15	57.20	88.40	109.20	1.00	2.0	2.0
2016	108.25	106.10	5.55	58.35	90.20	111.40	1.00	2.0	2.0
2017	110.40	108.20	6.00	59.50	91.95	113.60	1.00	2.0	2.0
2018	112.60	110.35	6.40	60.70	93.80	115.85	1.00	2.0	2.0
2019	114.85	112.55	6.90	61.90	95.65	118.20	1.00	2.0	2.0
2020	117.15	114.80	7.40	63.15	97.60	120.55	1.00	2.0	2.0
2021	119.50	117.10	7.75	64.40	99.55	122.95	1.00	2.0	2.0
2022	121.90	119.45	7.90	65.70	101.55	125.40	1.00	2.0	2.0
2023	124.35	121.85	8.10	67.00	103.55	127.95	1.00	2.0	2.0
2024	126.80	124.30	8.25	68.35	105.65	130.50	1.00	2.0	2.0
2025	129.35	126.75	8.40	69.70	107.75	133.10	1.00	2.0	2.0
2026	131.95	129.30	8.60	71.10	109.90	135.75	1.00	2.0	2.0
2027	134.60	131.90	8.75	72.55	112.10	138.50	1.00	2.0	2.0
2028	137.30	134.55	8.90	74.00	114.35	141.30	1.00	2.0	2.0
2029	140.00	137.20	9.10	75.45	116.60	144.05	1.00	2.0	2.0
2030	142.80	139.95	9.30	76.95	118.95	146.95	1.00	2.0	2.0
2031	145.70	142.75	9.45	78.50	121.35	149.90	1.00	2.0	2.0
2032	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0%	1.00	2.0	2.0
+	escalated	escalated	escalated	escalated	escalated	escalated			

Reserve Reconciliation

Reserve Reconciliation ⁽¹⁾ (Company Working Interest)	Light & medium oil (Mstb)	Natural gas (MMcf)	NGL (Mstb)	Total (Mboe)
	Proved			
December 31, 2010	1,864.0	1,264.4	18.5	2,093.2
Extensions & improved recovery	489.7	71.0	1.8	503.3
Technical revisions	(183.7)	104.6	16.2	(150.1)
Economic Factors	0.0	0.0	0.0	0.0
Acquisitions	0.0	0.0	0.0	0.0
Dispositions	0.0	0.0	0.0	0.0
Production	(351.2)	(245.3)	(6.2)	(398.3)
December 31, 2011	1,818.8	1,194.6	30.3	2,048.3

(1) Columns and rows may not add due to rounding

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(1)	Light & medium oil (Mstb)	Natural gas (MMcf)	NGL (Mstb)	Total (Mboe)
Reserve Reconciliation (Company Working Interest)				
Probable				
December 31, 2010	1,029.3	717.1	11.1	1,159.9
Extensions & improved recovery	1,631.0	65.4	1.6	1643.5
Technical revisions	(269.7)	(76.5)	5.2	(277.3)
Economic Factors	0.0	0.0	0.0	0.0
Acquisitions	0.0	0.0	0.0	0.0
Dispositions	0.0	0.0	0.0	0.0
Production	0.0	0.0	0.0	0.0
December 31, 2011	2,390.6	705.9	17.9	2,526.2
Proved plus Probable				
December 31, 2010	2,893.3	1,981.4	29.6	3,253.1
Extensions & improved recovery	2,120.7	136.4	3.4	2,146.8
Technical revisions	(453.3)	28.1	21.4	(427.2)
Economic Factors	0.0	0.0	0.0	0.0
Acquisitions	0.0	0.0	0.0	0.0
Dispositions	0.0	0.0	0.0	0.0
Production	(351.2)	(245.3)	(6.2)	(398.3)
December 31, 2011	4,209.5	1,900.6	48.2	4,574.5

(1) Columns and rows may not add due to rounding

2012 Reserve Update

Exall has retained AJM / Deloitte Petroleum Consultants ("AJM") to conduct an independent evaluation of Exall's oil and gas reserves effective January 31, 2012, as a result of the drilling success associated with the 3D Seismic well announced January 18th, 2012. The results of this well were not included in the AJM Evaluation's Total Proved reserves as the well had not been on production by December 31, 2011, per NI 51-101 requirements. This well represents 389 MBOE of Total Proved plus Probable Reserves with a 10% NPV Before Tax value of \$18.4 million. It is anticipated that the inclusion of this well in the Total Proved reserves as of January 31, 2012 will additionally move two Probable locations to the Proved Undeveloped category.

Sale of Texas Gas Properties

Exall has completed the sale of all of its interest in the Harris and Layton, Texas properties held by the Company to a private American company. The properties previously produced approximately 40 MCFPD of gas and associated liquids net to Exall.

About Exall

Exall is a junior oil and gas company active in its business of oil and gas exploration, development and production from its properties in Alberta. Exall Energy is currently developing the new Mitsue area Marten Mountain discovery in north-central Alberta.

Exall Energy currently has 62,263,854 common shares outstanding. The Company's common shares are listed on the Toronto Stock Exchange under the trading symbol EE.

Reader Advisory

This news release contains forward-looking statements, which are subject to certain risks, uncertainties and assumptions, including those relating to results of operations and financial condition, capital spending, financing sources, commodity prices and costs of production. By their nature, forward-looking statements are subject to numerous risks and uncertainties that could significantly affect anticipated results in the future and, accordingly, actual results may differ materially from those predicted. A number of factors could cause actual results to differ materially from the results discussed in such statements, and there is no assurance that actual results will be consistent with them. Such factors include fluctuating commodity prices, capital spending and costs of production, and other factors described in the Company's most recent Annual Information Form under the heading "Risk Factors" which has been filed electronically by means of the System for Electronic Document Analysis and Retrieval ("SEDAR") located at www.sedar.com. Such forward-looking statements are made as at the date of this news release, and the Company assumes no obligation to update or revise them, either publicly or otherwise, to reflect new events, information or circumstances, except as may be required under applicable securities law.

For the purposes of calculating unit costs, natural gas has been converted to a barrel of oil equivalent (boe) using 6,000 cubic feet equal to one barrel (6:1), unless otherwise stated. The boe conversion ratio of 6 mcf: 1 bbl is based on an energy equivalency conversion method and does not represent a value equivalency; therefore boe may be misleading if used in isolation. This conversion conforms to the Canadian Securities Regulators' National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities.

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