

**GALLIC ENERGY LTD. ANNOUNCES TWO NEW WELL PERMITS,
OPERATIONAL UPDATE, AND MANAGEMENT ADDITION**

CALGARY, ALBERTA, October 12, 2011 – Gallic Energy Ltd. (“Gallic” or “Company”) (TSXV: GLC) is pleased to announce the Company received approval on October 7, 2011 for its second and third permits or DOTs to re-enter wells on the Ger Permit, France from local and regional authorities. The first permit had been approved on August 31, 2011.

Mr. William H. Smith, President and CEO of Gallic, said “We are pleased that our operations team in Calgary and Pau, France has performed so professionally to promptly receive these approvals. Receipt of these approvals is confirmation that Gallic’s targets are conventional reservoirs, naturally fractured carbonates and porous and permeable sandstones, that can be completed without the need for hydraulic fracture stimulation. Surface construction on the first well to be re-entered will commence shortly. Gallic anticipates that rig operations to re-enter two wells on the permit will commence in late Q4 2011 or early Q1 2012. Re-entry of the 2 wells will be done sequentially with one rig.”

Gallic is well financed with \$21 million cash on hand to meet its planned activities and to cover working capital.

GLJ Petroleum Consultants is expected to provide a third party audit of the resource potential on the Ger Permit in the next two weeks.

Interpretation of seismic and well data on the Ledeuix Permit in France is progressing, allowing Gallic’s professional team to identify a well location on a structure identified on 3D seismic. Permitting for this well to be drilled in the first half of 2012 has started.

Gallic has submitted applications for exploration permits of open lands in two countries, and an application in a third country is expected to be filed within the next month.

Gallic is pleased to announce that Oleh Stupnyckyj, formerly Manager, Geosciences, has been named Vice-President, Geosciences. This promotion recognizes Oleh’s superb contributions to Gallic’s ongoing exploration program.

The Corporation has also granted 1,670,000 additional stock options to eligible participants effective October 7, 2011. Of this amount 560,000 stock options were granted to officers of the Corporation. The stock options were granted with an exercise price of \$0.17 per Common Share and will expire five years from the date of grant. The Corporation has determined that exemptions from the various requirements of TSX Venture Exchange Policy 5.9 are available for the granting of the options.

Mr. William H. Smith, President and CEO of Gallic, will be presenting at 1:20 – 1:40 pm, Wednesday, October 12, 2011 at the 5th Annual Canaccord Genuity Global Energy Conference in Miami, Florida.

FOR FURTHER INFORMATION PLEASE CONTACT:

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