

## ***Gallic Energy Ltd. announces spud of Ossun-2 well in France***

**CALGARY, ALBERTA**, January 10, 2012 – Gallic Energy Ltd. (“Gallic” or “Company”) (TSXV: GLC) is pleased to announce that it has spudded the Ossun-2 well located in the Aquitaine Basin in Southern France. The Ossun-2 well is a re-entry of a Société Nationale des Pétroles d'Aquitaine (“SNPA” a Total SA legacy company) wellbore previously drilled in the late 1960’s. The well will be re-entered to a total measured depth of approximately 3,000 m and will target three key formations including the 200 m thick Cretaceous Flysch Carbonate where SNPA had previously encountered natural gas shows that were never tested or produced. Well results are expected within 20-60 days dependent upon re-entry conditions and progress.

Gallic’s second drill site, Azereix-1 is also being prepared for re-entry. The wellsite construction is nearly completed and the new wellhead is presently being installed on the existing surface casing. The current plan is to re-enter the Azereix-1 well immediately after the Ossun-2 well.

On November 2, 2011, the Company announced results from independent reserve consultants GLJ Petroleum Consultants Ltd. (“GLJ”) on the undiscovered petroleum initially-in-place (“UPIIP”) (effective September 30, 2011) resource potential for the geologic plays to be tested by the Ossun-2 and Azereix-1 wells. The report indicates the Mean estimate of the distribution of UPIIP for the Ossun-2 play at an unrisks 248 BCF, and unrisks 457 BCF for the Azereix-1 play plus 2.2 million barrels of liquids.

Mr. William H. Smith, President and CEO of Gallic, said “We are excited to commence the Ossun-2 well in France and are hopeful that we can add significant gas reserves to France’s domestic natural gas production. Our proposed two well re-entry program in the Aquitaine Basin in France in the first quarter of 2012 is a significant step for the Gallic organization towards development of our France and European growth strategies.”

Gallic is the 100% Owner and Operator of both the Ossun-2 and Azereix-1 wells.

### **FOR FURTHER INFORMATION PLEASE CONTACT:**

William H. (Bill) Smith  
President and Chief Executive Officer  
Tel: (403) 930-7533

or

Dean Callaway  
Vice President Finance and Chief Financial Officer  
Tel: (403) 930-7534

### **IMPORTANT INFORMATION REGARDING FORWARD-LOOKING STATEMENTS**

Certain statements in this news release constitute forward-looking information. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "intend", "could", "might", "should", "believe", "schedule" and similar expressions. Forward-looking statements are based upon the opinions and expectations of Gallic as at the effective date of such

statements and, in certain cases, information received from or disseminated by third parties. Although the Company believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions and that information received from or disseminated by third parties is reliable, it can give no assurance that those expectations will prove to have been correct. Forward-looking statements are subject to certain risks and uncertainties (known and unknown) that could cause actual outcomes to differ materially from those anticipated or implied. These factors include, but are not limited to, such things as general economic conditions in Canada, France and elsewhere; volatility of prices for oil and gas; commodity supply and demand; fluctuations in currency and interest rates; inherent risks associated with the exploration and development of oil and gas properties; ultimate recoverability of reserves; production, timing, results and costs of exploration and development activities; political or civil unrest; availability of financial resources or third-party financing; new laws (domestic or foreign); changes in administrative practices; changes in exploration plans or budgets; and availability of personnel and equipment. Accordingly, readers should not place undue reliance upon the forward-looking statements contained in this news release and such forward-looking statements should not be interpreted or regarded as guarantees of future outcomes.

The forward-looking statements of the Company contained in this news release are expressly qualified, in their entirety, by this cautionary statement. Various risks to which Gallic and its affiliates are exposed in the conduct of their business are described in detail in the Company's Management Discussion and Analysis for the quarter ended September 30, 2011, which has been filed on SEDAR [www.SEDAR.com](http://www.SEDAR.com). Subject to applicable securities laws, the Company does not undertake any obligation to publicly revise the forward-looking statements included in this news release to reflect subsequent events or circumstances, except as required by law.

### IMPORTANT INFORMATION REGARDING UPIIP AND RESOURCES

Estimates of UPIIP were generally prepared using land and technical information including well information, engineering, geological and geophysical data available from Gallic up to September 30, 2011. There is no certainty that any portion of the resources will be discovered. A recovery project cannot be defined for this volume of undiscovered petroleum initially-in-place at this time. There is no certainty that it will be commercially viable to produce any portion of the resources.

The GLJ resource evaluation was prepared in accordance with the procedures and standards contained in the Canadian Oil and Gas Evaluation Handbook. The UPIIP definitions used in preparing this Report are those contained the COGE Handbook and the Canadian Securities Administrators National Instrument 51-101 (NI 51-101). The summary of the disclosure relating to the Ossun - 2 and Azereix-1 wells are as follows:

Play	Well	Formation	Low*Estimate (P90)	Best* Estimate (P50)	Mean* Estimate	High*Estimate (P10)
Mountain Front Fault Trap	Ossun 2	Eocene	6	15	22	44
		DanoPaleocene	1	3	4	8
		Up CretFlysch	62	158	222	453
Unconformity Trap	Azereix 1	Aptian	56	162	270	598
		Barremian	31	128	187	419

In addition GLJ has estimated the Unrisked UPIIP of condensate and oil in the Aptian Formation for the Unconformity Trap in Thousands of Barrels:

Play	Well	Formation	Low*Estimate (P90)	Best* Estimate (P50)	Mean* Estimate	High*Estimate (P10)
Unconformity Trap	Azereix 1	Aptian	650	1,608	2,207	4,430

All figures are given in BCF.

\*Low Estimate is considered to be a conservative estimate of the quantity that will actually be recovered. It is likely that the actual remaining quantities recovered will exceed the low estimate. If probabilistic methods are used, there should be at least a 90 percent probability (P90) that the quantities actually recovered will equal or exceed the low estimate.

\*Best Estimate is considered to be the best estimate of the quantity that will actually be recovered. It is equally likely that the actual remaining quantities recovered will be greater or less than the best estimate. If probabilistic methods are used, there should be at least a 50 percent probability (P50) that the quantities actually recovered will equal or exceed the best estimate.

\*High Estimate is considered to be an optimistic estimate of the quantity that will actually be recovered. It is unlikely that the actual remaining quantities recovered will exceed the high estimate. If probabilistic methods are used, there should be at least a 10 percent probability (P10) that the quantities actually recovered will equal or exceed the high estimate.

\*Mean Estimate is the arithmetic average from the probabilistic assessment.

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