

## ***Gallic Energy Ltd. announces change in well plan for Ossun-2 well in France***

**CALGARY, ALBERTA**, January 31, 2012 – Gallic Energy Ltd. (“Gallic” or “Company”) (TSXV: GLC) announces that it intends to change from its current snubbing unit to a drilling rig in order to sidetrack the Ossun-2 well located in the Aquitaine Basin in Southern France. A sidetrack well will allow Gallic to reach additional potential hydrocarbon bearing zones that could not be reached with the original cased-hole re-entry operations. The Ossun-2 well was a re-entry of an old Total SA wellbore previously drilled in the late 1960’s. On January 10, 2012, the Company announced that it had spud the re-entry of Ossun-2. Operations to drill out the cement plug and to splice the 9 5/8 inch intermediate casing back to the surface were successful. However, at a depth of 1,344 meters, suspected and undocumented abandoned drilling pipe was encountered in the wellbore, making continuation of the re-entry process more uncertain from a cost and process perspective. Plans are now being developed for sidetracking Ossun-2 from near that depth.

The snubbing unit rig currently on location will be released and negotiations are ongoing with rig contractors for services of a conventional drilling rig. Sidetrack operations are expected to commence in the near-term to capitalize on synergies from current re-entry operations. It is the Company’s expectation that a drilling rig could be on-site within a few weeks. As originally scheduled, the re-entry of the Azereix-1 well will follow the Ossun-2 sidetrack and the multiple zone testing process has been completed. Gallic currently has cash on hand to fund both well programs.

The Company continues to proceed on schedule for obtaining a new drilling license to drill the Hagolle-2 well on its Ledeuix permit targeting a shallow gas zone defined on 3D seismic. Gallic has a 100% ownership interest in all French operations.

Mr. William H. Smith, President and CEO of Gallic, said “While this change of plans is a slight setback on timing of expected results, nothing has changed on either the size of the potential resources or on the geologic risk of those resources being producible in commercial rates. A sidetrack well will allow us to explore deeper zones where hydrocarbon potential has been identified, something that we were unable to do with the original cased hole re-entry operations. Additionally, the sidetrack will allow Gallic to obtain modern open-hole logs over the potential reservoirs, which will give more definitive reservoir information than could the old open-hole logs and the previously planned cased-hole logs.”

On November 2, 2011, the Company announced results from independent reserve consultants GLJ Petroleum Consultants Ltd. on the undiscovered petroleum initially-in-place (“UPIIP”) for the Ossun-2 and Azereix-1 wells. The report indicated UPIIP for the Ossun-2 well formations at an unrisksed 247 BCF. Additionally, European gas prices have remained in the \$8–\$9/mcf range over the past year contrary to depressed North American natural gas prices.

Gallic is an international oil and gas company with assets in France and Australia. Current operations are focused on France and in particular the Aquitaine Basin where the Company holds approximately 320,000 net acres of exploration lands. The Company holds approximately 600,000 net acres of land in the prospective Canning Basin in Australia.

**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.

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