

**CalStar Oil & Gas Ltd.**  
**Suite 601 100 4<sup>th</sup> Ave. S.W.**  
**Calgary Alberta**  
**T2P 3N2**

**CalStar Oil & Gas Ltd. Elects to participate in the Fenn Big Valley Project.**

**October 9, 2007**

**Calgary Alberta October 9, 2007 – CalStar Oil & Gas Ltd. (“CalStar”) trading on the CNQ – Canada’s New Stock Exchange under the symbol “CAL5”**

1) Ted K. Cantlon, President & CEO of CalStar is pleased to report that CAL5 has successfully acquired over 29 sections in 40 parcels in the Crown Land Sale, jointly with its Partner, Alberta Pinnacle Oil Company Ltd., (9370 net acres to CalStar) in the Fenn Big Valley area.

2) With interpretation of the 3-D seismic now complete, CalStar has elected to participate for 50% of the Fenn Big Valley Project. The well License has been approved and the location is LSD 04-09-034-20 W4M. The projected depth is 1820 metres to the Leduc formation.

3) A portion of the drilling expenses for the Fenn Big Valley Project will be funded by a Flow-Thru Offering in the amount of \$1,500,000, or 6,000,000 shares at \$0.25 per flow-thru share. The Offering will be non-brokered and we anticipate closing on or before October 31, 2007.

4) Additionally, the Company has received an exemption from the CNQ relating to the Class B Warrants that were scheduled to expire on November 28, 2007. Previously, each Class B Warrant entitled the warrant holder to purchase one additional common share at a price of \$0.25 per common share until close of business November 28, 2007. The CNQ has granted an extension to the expiry date whereby each warrant holder may now exercise the warrants held up to close of business on December 31, 2007. There is no change in the exercise price of the common shares.

Olympia Trust Company has been appointed as the Transfer Agent for the warrants. New warrant certificates will be issued to all warrant-holders and the warrants will begin to trade again in the very near future. This process was adopted to facilitate the CDS system whereby the warrant-holders could buy, sell or exercise much more efficiently.

5) Also, the Company has closed its previously mentioned Private Placement. The non-brokered Offering was over-subscribed with the Company raising \$ 589,500 thereby. The capital raised will be used for general working capital purposes.

Where required, all of the foregoing is subject to Board and Regulatory approval.

Forward-looking statements - statements included in this press release that are not historical facts may be considered "forward-looking statements." All estimates and statements that describe the Company's objectives, goals or future plans are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties where actual results could differ materially from those currently anticipated.

For further information, contact Ted K. Cantlon, FCSI at (403) 390-4911

**The CNQ Exchange has not reviewed and does not accept responsibility  
for the accuracy and adequacy of this release.**

**(Not for dissemination in the United States of America)**