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FOR IMMEDIATE RELEASE

NAL OIL & GAS TRUST ANNOUNCES DECEMBER DISTRIBUTION, PROVIDES AN OPERATIONAL UPDATE AND SETS 2009 GUIDANCE DATE

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CALGARY / Marketwire / - NAL Oil & Gas Trust (the "Trust" or "NAL") (TSX: NAE.UN) will pay a distribution of \$0.16 per unit on January 15, 2009, to Unitholders of record on December 22, 2008. The units will begin trading on an ex-distribution basis on December 18, 2008.

Trailing cash distributions for the past 12 months total \$1.92 per unit, representing a 29.8% cash-on-cash yield based on the December 9, 2008 closing unit price of \$6.44.

NAL Oil & Gas Trust's Board of Directors sets distribution levels taking into consideration commodity prices, forecast cash flow of the Trust, financial market conditions, availability of financing, internal capital investment opportunities and taxability.

Operational and Financial Update

NAL's capital program in the fourth quarter of 2008 is focused on its core areas in Saskatchewan, Alberta and British Columbia. In Saskatchewan, drilling is proceeding with five oil wells in the Bakken, Mississippian and Tilston plays which are planned to be tied-in by year end. In central Alberta, a three horizontal well Cardium oil program is being completed and tested. The first well was tied-in in late November and the second and third wells are being evaluated and expected to be tied-in by late December or early January 2009. Early production rates are encouraging and management expects this area to be an active component of NAL's 2009 program. In the gas focused Monkman area of N.E. British Columbia, two wells with multi-zone potential have reached total depth. These wells are currently being evaluated with testing to be finalized prior to year end and, if successful, will be tied-in during 2009.

The Trust's cash flows in the fourth quarter of 2008 are protected by hedge positions that are significantly higher than current market prices. The Trust's balance sheet remains strong with a net debt to trailing 12 month cash flow ratio of 1.0x as at October 31, 2008. NAL has a committed \$450 million credit facility that was recently finalized with a syndicate of six banks. At October 31, 2008, \$271.2 million was drawn on the facility with the remaining \$178.8 million (approximately 40%) available for organic growth opportunities and strategic and core area acquisitions.

2009 Guidance Announcement Date

Management is currently finalizing the 2009 capital program in an environment of low commodity prices. NAL's technical teams have added and evaluated additional opportunities during 2008 and will have more projects than capital available in 2009. The Trust's capital program will be flexible as the trust operates more than 80% of current production and has a high degree of control over the execution and timing of expenditures.

In the first half of 2009, NAL's financial performance will be supported by hedges at prices significantly higher than current market. NAL plans to prudently balance its capital program and distributions with a target of funding these elements from cash flow.

The Trust plans to issue a press release outlining its 2009 operating and financial plans on January 12, 2009.

NAL Oil & Gas Trust provides investors with a yield-oriented opportunity to participate in the Canadian Upstream Conventional Oil and Gas Industry. The Trust generates monthly cash distributions for its Unitholders by pursuing a strategy of acquiring, developing, producing and selling crude oil, natural gas and natural gas liquids from pools in southeastern Saskatchewan, central Alberta, northeastern British Columbia and Lake Erie, Ontario. Trust units trade on the Toronto Stock Exchange under the symbol "NAE.UN".

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