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FOR IMMEDIATE RELEASE

## EXCELSIOR ANNOUNCES THIRD QUARTER 2009 RESULTS

**CALGARY, ALBERTA – Excelsior Energy Limited (TSX-V: ELE)** (“Excelsior” or the “Company”) announces it has filed financial statements and management’s discussion and analysis for the three and nine month periods ended September 30, 2009 and 2008. These materials can be found online at [www.sedar.com](http://www.sedar.com) and on the Company’s website [www.excelsior-energy.com](http://www.excelsior-energy.com).

“During the third quarter the Company achieved a further milestone by filing a patent application for its combustion overhead gravity drainage proprietary process.” said Dr. David Winter, Excelsior’s President and Chief Executive Officer. “We are now focused on funding the COGD experimental project and the engagement with CIBC World Markets Inc., to secure a joint venture partner, will greatly assist in this effort.”

### Third Quarter 2009 Highlights

- Excelsior filed a patent application with the Canadian Intellectual Property Office for its combustion overhead gravity drainage (“COGD”) proprietary process (the “Process”). The Process is designed to prepare a viscous oil reservoir for exploitation using COGD. The Process uses cyclic steam and steam flood techniques to predispose the viscous oil reservoir to form a combustion chamber similar in geometry to the steam chamber in steam assisted gravity drainage.
- Excelsior’s in situ combustion experimental project application (“COGD Project Application”) to the Alberta Energy Resources Conservation Board (“ERCB”) and Alberta Environment (“AENV”) has been administratively accepted and deemed complete and is moving through the approval process. The COGD Project Application is seeking approval to operate three COGD well arrays with a production target of up to 1,000 barrels of bitumen per day. Regulatory approval is on track and approval is anticipated in approximately nine to twelve months.
- Excelsior’s proprietary COGD technology is supported by a recently completed computer reservoir simulation model. The work was contracted to Computer Modeling Group Inc. and used their steam thermal advanced reservoir simulation (STARS) technology. Excelsior’s geological reservoir characterization model, which integrated all core, log, and seismic data formed the geological framework for the simulation model. A number of runs were made to test sensitivities to different reservoir and operating parameters. The modelling results were positive and supported Excelsior’s pre-ignition process and indicated that a COGD horizontal well has the potential to produce in excess of 800 barrels of bitumen per day and attain potential recovery factors in excess of 64%.
- The Company had working capital of \$1.9 million at September 30, 2009, which is sufficient for general and administrative expenses for the next four quarters. The Company has no debt. Further operations and implementation of the COGD experimental pilot project will require additional funding.

### Outlook

- The Company has commenced a process to find a joint venture partner for the COGD pilot project. Excelsior engaged CIBC World Markets Inc. (“CIBC”) as its strategic advisor to identify and secure a major joint venture partner for the development of its experimental in situ COGD pilot project at the Company’s Hangingstone property.

- Excelsior resubmitted an application to the Alberta Government's Innovative Energy Technology Program ("IETP") in support of the COGD experimental program. IETP provides for royalty credits to be awarded for capital spent on new technology. Confirmation is expected by March 31, 2010. The Company cannot guarantee that it will be successful in securing the IETP funding as it is a competitive process.
- The Company, through its subsidiary Excelsior Energy North Sea Limited ("EENS"), completed seismic reprocessing and interpretation on licence P1500 in the UK North Sea. A drilling location has been identified to test one of the prospects which is a step-out from an existing oil discovery drilled in 1996. EENS is required to commit to drill on the block by November 30, 2009, and demonstrate it has the financial capacity for drilling operations, or relinquish the licence at no further cost. EENS has requested an extension to February 28, 2009, to provide additional time to obtain financing for an exploratory well. EENS is currently conducting a farm-out process to seek an industry partner for the well.

### **Selected Information**

(\$'s except weighted average shares)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
Gas sales	1,937	15,408	12,552	97,520
Royalties	(20)	(3,070)	(349)	(15,531)
Operating expenses	(3,544)	(8,159)	(12,383)	(26,225)
Net gas revenue	(1,627)	4,179	(180)	55,764
Interest income	1,842	51,388	32,326	243,335
General and administrative expense	293,074	407,453	829,338	1,111,375
Net loss and comprehensive loss	(313,029)	(666,845)	(1,061,559)	(2,078,999)
Loss per share (basic and diluted)	-	(0.01)	(0.01)	(0.01)
Capital expenditures				
Petroleum and natural gas properties	215,547	403,090	8,779,187	11,659,794
Cash flows				
Cash flows from (used in) operations	(286,781)	(396,652)	(719,832)	(686,336)
Cash flows used in investing	(454,013)	(601,375)	(11,142,390)	(12,942,898)
Cash flows from financing	-	10,477,701	-	12,589,426
Change in cash and cash equivalents	(740,794)	9,479,674	(11,862,222)	(1,039,808)
Cash and cash equivalents, beginning of period	2,626,629	5,329,166	13,748,057	15,848,648
Cash and cash equivalents, end of period	1,885,835	14,808,840	1,885,835	14,808,840
Basic and diluted weighted average number of shares outstanding	143,060,590	112,251,793	143,060,590	119,244,452

### **About Excelsior**

Excelsior is an early stage, oil sands company with 58 operated sections on two contiguous blocks in the Hangingstone and West Surmont areas of the Athabasca Oil Sands Region near Fort McMurray, Alberta. The Company has developed a proprietary in situ combustion technology ("Combustion Overhead Gravity Drainage" or "COGD") which has game-changing potential in the development and recovery of heavy oil and bitumen. An application for an experimental pilot project to field demonstrate the COGD technology was submitted in at the end of the second quarter of 2009 with a targeted start up in early 2011. In addition the Company indirectly holds a 100% working interest in UK North Sea Licences P1500 and P1691 covering four part-blocks through its 75% owned subsidiary ENS Energy Ltd. Excelsior's strategy is to capture oil and gas appraisal and development opportunities where we can leverage Management's diverse international operating, heavy oil and field development expertise with developing technologies to produce oil and gas.

## **Forward Looking Information**

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking statements or information. More particularly and without limitation, this press release contains forward-looking statements and information concerning: anticipated regulatory approvals, anticipated production and recovery results using the Company's COGD process, the sufficiency of its current funding to meet planned expenditure requirements, the plans of its subsidiary companies in meeting their contractual commitments, joint venture opportunities and financing arrangements.

The forward-looking statements and information in this press release are based on certain key expectations and assumptions made by Excelsior, including expectations and assumptions concerning: prevailing commodity prices and exchange rates; applicable royalty rates and tax laws; future drilling results and production rates; reserve and resource volumes; the success obtained in drilling new wells; the anticipated production rates and recoverability factors based on certain modelling results conducted by third parties; the success of the process conducted by CIBC on terms acceptable to the Company; the sufficiency of budgeted capital expenditures in carrying out planned activities; the availability and cost of labour and services; and the receipt, in a timely manner, of regulatory approvals. Although Excelsior believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information because Excelsior can give no assurance that they will prove to be correct.

Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to the risks associated with the oil and gas industry in general such as: operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve and resource estimates; the uncertainty of estimates relating to production, costs and expenses; health, safety and environmental risks; commodity price and exchange rate fluctuations; marketing and transportation of petroleum and natural gas and loss of markets; environmental risks; competition; incorrect assessment of the value of acquisitions; failure to realize the anticipated benefits of acquisitions; ability to access sufficient capital from internal and external sources; failure to obtain required regulatory approvals; inaccuracies in modelling results conducted by third parties; the ability of the Company to identify and enter into a binding agreement with a joint venture partner on terms acceptable to the Company; and changes in legislation, including but not limited to tax laws, royalty rates and environmental regulations.

Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect the operations or financial results of Excelsior are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)).

The forward-looking statements and information contained in this press release are made as of the date hereof and Excelsior undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

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