



December 31, 2009

FOR IMMEDIATE RELEASE

EXCELSIOR ENERGY GRANTS INCENTIVE STOCK OPTIONS

CALGARY, ALBERTA – Excelsior Energy Limited (TSX-V: ELE) (“Excelsior” or the “Company”) is pleased to announce that pursuant to the terms and conditions of its stock option plan, it has granted, in the aggregate, 3,280,000 incentive stock options to purchase common shares of Excelsior (the “Options”) to directors, officers and employees. The Options are exercisable over a five year period at \$0.14 per common share, which Options shall vest as to 1/3 per year starting from the date of grant.

About Excelsior Energy

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.

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.

For further information regarding this news release please contact:

Dr. David A. Winter
President & CEO
Tel: (403) 537-1015 ext 101
Email: d.winter@excelsior-energy.com

Mary Kennedy
Vice President, Finance & CFO
Tel: (403) 537-1015 ext 103
Email: m.kennedy@excelsior-energy.com