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FOR IMMEDIATE RELEASE

## EXCELSIOR ANNOUNCES SECOND QUARTER 2010 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 six month periods ended June 30, 2010 and 2009. These materials can be found online at [www.sedar.com](http://www.sedar.com).

“The \$26 million financing in June allows the Company to move ahead and confirm the full potential of its Hangingstone property” said Dr. David Winter, Excelsior’s President and Chief Executive Officer. “We will be drilling an aggressive delineation core well program this winter that will further delineate the areas identified with commercial development potential in the western and northern areas of the Hangingstone property and also appraise thick pay areas with less well density in the north east and central part of Hangingstone. The programs are designed to provide sufficient well density to support our reservoir characterization work that will underpin an application for an initial 10,000 bopd SAGD project. The initial 10,000 bopd SAGD development will be the first of several development areas planned to realize the full potential at Hangingstone.”

### Second Quarter 2010 Highlights

- Excelsior raised gross proceeds of \$25,999,760 in non-brokered private placement financings in June, 2010 (the “Financings”). Pursuant to the Financings Excelsior issued 41,666,667 units at a price of \$0.36 per unit comprised of two common shares (priced at \$0.18 per common share and in some instances one of the common shares was issued on a flow-through basis) and two common share purchase warrants with a three year term each at an exercise price of \$0.30; 10,416,166 units at a price of \$0.48 per unit comprised of two common shares (priced at \$0.235 per common share and in some instances both of the common shares were issued on a flow-through basis) and two common share purchase warrants with a five year term each at an exercise price of \$0.32; 27,777,777 common shares at a price of \$0.18 per common share; and 4,166,666 common shares at a price of \$0.24 per common share. Proceeds from the Financings are intended to be used for further delineation of the Corporation's property in the Hangingstone area of Alberta and for general corporate purposes. The Company issued in aggregate 136,110,113 common shares, of which 41,346,309 were issued on a flow-through basis, and 104,165,668 common share purchase warrants in connection with the Financings. The Company currently has 280,755,755 common shares outstanding.

The Financings brings the involvement of a significant investor group into Excelsior who have a track record of value creation in junior companies and have demonstrated significant access to capital markets which will be key as Excelsior moves forward in developing its Hangingstone asset. With the completion of the Financings Mr. Jeff Scott and Mr. Verne Johnson joined the Board of Excelsior.

- The Company has a commitment to renounce \$8,020,658 of eligible expenditures to subscribers of its flow-through shares issued as part of the units comprising the Financings and incur the related expenditures by December 31, 2011.
- The Company had positive working capital of \$25.3 million at June 30, 2010 and no debt.

## Outlook

- The Company will continue to delineate the resource potential at Hangingstone this winter to provide the necessary geological control to support an initial 10,000 bopd SAGD project application and to add new areas of resource. The initial SAGD 10,000 bopd project will be the first step to production and to realizing the ultimate potential through a multi-phase development of the Hangingstone property. Implementing the initial SAGD 10,000 bopd oil sands development project will require significant capital and is dependent on successful equity and/or debt financings.

## Selected Information

(\$'s except weighted average shares)	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
Gas revenue	-	4,462	-	10,615
Royalties	-	(80)	-	(329)
Operating expenses	(279)	(4,644)	(537)	(8,839)
Net gas revenue	(279)	(262)	(537)	1,447
Interest and other income	8,180	2,505	9,736	30,484
General and administrative expense	514,637	274,650	803,324	536,264
Net loss and comprehensive loss	(1,130,061)	(337,730)	(1,464,805)	(748,530)
Loss per share (basic and diluted)	(0.01)	-	(0.01)	(0.01)
Capital expenditures				
Petroleum and natural gas properties (cash)	83,743	824,279	113,718	8,563,640
Cash flows				
Cash flows used in operations	(500,735)	(23,679)	(838,590)	(433,051)
Cash flows used in investing	(54,714)	(2,366,592)	(98,643)	(10,688,377)
Cash flows from financing	24,904,739	-	24,902,994	-
Change in cash and cash equivalents	24,349,650	(2,390,271)	23,965,761	(11,121,428)
Cash and cash equivalents, beginning of period	1,181,075	5,016,900	1,564,964	13,748,057
Cash and cash equivalents, end of period	25,530,725	2,626,629	25,530,725	2,626,629
Basic and diluted weighted average number of shares outstanding	169,932,809	143,060,590	157,241,566	143,060,590

## 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 properties contain high-quality, bitumen reservoirs which will be exploited using in-situ recovery methods. The bitumen resources are anticipated to be initially developed using SAGD (“Steam Assisted Gravity Drainage”). The Company has also developed a proprietary in situ combustion technology (“Combustion Overhead Gravity Drainage” or “COGD”) which has potential to improve economic and environmental impact 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 the second quarter of 2009. Project approval is expected in the latter half of 2010 with subsequent implementation and commissioning in early 2011. 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, expectations regarding the Company's future operations, including drilling of further core wells on the Company's Hangingstone property and the further delineation of such property, development of the Company's bitumen resources using SAGD or COGD, fulfillment of "flow-through" commitments, expectations regarding cash flows relating to operations on the Hangingstone property, further operations regarding a proposed COGD pilot program, the sufficiency of its current funding to meet planned expenditure requirements, 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 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 or 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; 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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