

PASSPORT ENERGY LTD. PROVIDES UPDATE ON PRODUCTION AND ANNOUNCES 34 SECTION FARMIN AGREEMENT WITHIN THE SE SASKATCHEWAN HARDY BAKKEN CORE AREA

Calgary Alberta, December 05, 2011 – Passport Energy Ltd (CNSX:PPO; “Passport ” or the “Company”) is pleased to provide shareholders with an operational update with respect to its recent results in the Hardy SE Saskatchewan Bakken light oil play. Passport also wishes to provide details of a Farmin and Option Agreement which has been signed with a large independent Canadian oil and gas company on 34 sections of land in the Hardy area.

Operational Update

In the second quarter the Company’s first development well, Hardy S HZ 1A4–16-4B4-09-004-21W2, was completed utilizing a 28 stage multi fracture stimulation and placed on production on September 8th, 2011. With this well the Company has earned a 25% working interest in 2 ¼ sections from surface to basement.

Following an initial 14 day clean up and optimization phase and, based on information provided by the operator, Eternal Energy Corp (Eternal), the 1A4-16 well produced an average gross daily oil rate of approximately 164 barrels per day of 38 degree API oil from September 22nd to October 5th, 2011. During this period, the well produced at a stabilized average measured oil cut of approximately 30% (of total produced fluid) and maintained a high stable fluid level.

The well was shut in on October 6th due to wet weather and to facilitate a clean out of the horizontal leg. Operations took longer than expected due to the lack of service rig availability and weather conditions. The well was placed back on production in early November.

Given the well’s higher than expected productive rate, the current surface and down hole equipment configuration is insufficient to allow the well to produce at a consistent high rate for extended periods of time. As a result, the well is currently producing at a stabilized average gross daily oil rate of approximately 120 barrels per day (with an average oil cut of approximately 30% of total produced fluid).

With current production rates lower than the wells maximum productive capability the operator is currently reviewing the well’s equipment configuration and is considering upgrading the production equipment to allow the well to produce at a higher rate.

Farmin and Option Agreement

The Company has also executed a Farmin and Option Agreement with a large independent Canadian oil and gas company covering 34 sections of land in close proximity to its Hardy property.

The agreement provides for Passport, as operator (50%) and its partner, Eternal (50%) to pay 100% of the drilling and completion costs of two Bakken horizontal wells to earn a 100% BPO interest (50% each) and a 65% APO interest (32.5% each) in ten contiguous sections (5 sections per well) from surface to the base of the Three Forks zone, subject to the payment of Crown royalties and GORRs. Passport and Eternal have the option to drill five additional rolling option wells to earn the same interest in the balance of the unearned 34 sections.

Passport expects that drilling of the first well will commence sometime in the first quarter of 2012, subject to rig availability. The drilling of the second commitment well will be commenced within 60 days of rig release of the first



well. The drilling of the first of the five option wells shall be commenced within 90 days of rig release of the second commitment well and each successive well shall be commenced within 90 days of rig release of the preceding option well until all option wells are drilled or the option to drill has expired.

The gross estimated costs of drilling and casing, completing or abandoning a 3500 metre (measured depth) Bakken horizontal well in Hardy is approximately \$3,200,000.

The Company is a junior natural resource exploration company focused on the acquisition, exploration, and development of economically viable natural resources, with a focus on Bakken oil projects.

The Company trades on the CNSX under the trading symbol "PPO".

Forward Looking Statements

This press release contains forward-looking statements relating to the operational and exploration activities for Passport, evaluation of certain prospects in which the Company holds an interest or may acquire an interest and other statements that are not historical facts. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, estimates, forecasts, projections and other forward-looking statements will not occur, which may cause actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. These assumptions, risks and uncertainties include, among other things, the state of the economy in general and capital markets in particular; fluctuations in oil prices; the results of exploration and development drilling, recompletions and related activities; the uncertainty of reserve estimates; changes in environmental and other regulations; risks associated with oil and gas operations and future exploration activities; and other factors, many of which are beyond the control of the Company. You can find an additional discussion of those assumptions, risks and uncertainties in Passport's Canadian securities filings.

The forward-looking statements contained in this press release are made as of the date of this press release. Except as required by law, Passport disclaims any intention and assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Additionally, Passport undertakes no obligation to comment on the expectations of, or statements made by, third parties in respect of the matters discussed above.

The CNSX does not accept responsibility for the adequacy or accuracy of this news release.

For more information, please refer to the Company's public documents available on SEDAR (www.sedar.com).

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