

Border Petroleum Corp.

Border Petroleum Provides Update on Red Earth Joint Venture

TSX Venture: BOR

For Immediate Release

Calgary, Alberta – October 25, 2011 - **Border Petroleum Corp.** (“**Border**” or the “**Corporation**”) (TSX Venture: BOR) is very pleased to announce that, further to the previously announced joint venture between Border and the Loon River Cree Nation (the “**Nation**”), after extensive consultation between Border, the Nation and Indian Oil and Gas Canada (“**IOGC**”) (collectively, the “**Parties**”), the Nation has now authorized IOGC, pursuant to a fully executed band council resolution, to issue Border an IOGC permit covering an expanded 27 sections (6,912 hectares) of Slave Point rights in the Red Earth area of northern Alberta (the “**Permit**”). The Permit is subject to formal documentation prepared by IOGC to provide the following:

- the permit will have a 5-year term during which Border has the right to earn the entire 27 section block by drilling 6 horizontal test wells into the Slave Point formation (the “**Test Wells**”) on a rolling option basis, with a minimum of two Test Wells in the first year and one Test Well in each year thereafter, and payment of a Permit bonus of approximately \$3.9 million;
- for each Test Well drilled, Border earns the right to a 4.5 section (1,152 hectare) lease (the “**Lease**”) for a term of 5 years to the base of the deepest formation penetrated and a royalty rate equivalent to Alberta crown incorporating the Horizontal Oil New Well Royalty Rate with a 10% minimum and no gross overriding royalty payable; and
- Border will pay 100% of all costs related to each Test Well and Lease for a 100% before and 100% after payout working interest in both the Test Well and the lands under the 4.5 section Lease with no carried working interest provision.

Kelly Kimbley, Border’s President and Chief Executive Officer, stated “I would like to extend my thanks to Border’s shareholders for their patience, and to the Nation and IOGC for their hard work which involved tremendous time and effort finalizing this arrangement. The enhanced Permit terms outlined above will mutually benefit Nation members and Border shareholders by allowing for the development of the Nation’s resources on a basis that is competitive with industry development in the Red Earth area. With the terms of the Permit finalized by the Parties, Border will carry on with the planning and logistics work necessary to commence its Slave Point horizontal drilling program at Red Earth during the upcoming winter drilling season.”

Further Information

For further information, please contact:

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Forward-Looking Statements

The forward-looking statements contained in this document are based on certain key expectations and assumptions made by Border, including with respect to, expectations and assumptions concerning timing of receipt of required regulatory approvals. Although Border believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Border can give no assurance that they will prove to be correct.

Since forward-looking statements 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 failure to obtain necessary regulatory and governmental approvals, risks associated with the oil and gas industry in general (e.g., 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 estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), commodity price and exchange rate fluctuations and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures.

The forward-looking statements contained in this document are made as of the date hereof and Border 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.