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TSX Venture Exchange: FAB

FOR IMMEDIATE RELEASE

FLYING A PETROLEUM LTD.

The Company wishes to announce that its plan to merge with Bighorn Petroleum Ltd. (“Bighorn”), Wyn Developments Inc. (“Wyn”) and Tenaka Drilling Consortium Ltd. (“Tenaka”) into a newly formed Company (Canada Gas Corp), as previously disclosed, is proceeding as planned and a shareholders meeting to approve the amalgamation and other matters is expected to be called in the short term.

The shareholders of record at the time of the merger will receive a proportionate share of the shares of Canada Gas Corp. The share exchange ratio and/or other consideration to be tendered by each party involved in the merger will be determined through negotiation between parties upon review of tax, accounting, corporate and securities law issues.

The Company is pleased to announce that the partners in the Prophet River Project in Northeastern BC have made their payment to acquire the Block B Lands at Prophet River. In addition to acquiring the Block B Lands these payments remove a 12 1/2% royalty interest that was to be paid to the Operator on production from both the Block A lands as well as the Block B lands. These Royalties will now accrue to the Prophet River Partners, (Flying A, Bighorn and Wyn) and after the merger with Tenaka, will result in the four companies collectively owning a 100% interest in both the Block A and Block B lands subject only to government royalties.

Also in the Prophet River area, Petro Canada has exercised a right of first refusal on two sections adjoining the Company’s lands to the southeast of the Company’s d-60-E Mississippian discovery well. Accordingly, Flying A, Bighorn Wyn and Tenaka’s Prophet River land holding interests have been reduced to approximately nineteen square miles from twenty-one. Petro Canada Ltd. has increased their activity in the region in the past year, in, around, and between the Prophet River and the Trutch properties. Funds received from Petro Canada Ltd. on the exercise of this right of first refusal were credited to the Companies.

In the Bougie Trutch/Trutch East area the company has contributed its share of the costs to complete the production and tie-in of the recently drilled a-38-A Triassic Halfway development well. The well will be tied in to the Trutch jointly owned production infrastructure and is expected to commence production in late February, 2008. The

company has a 10.5 per-cent gross working interest in this well and a 17.5 per-cent interest in the project's pipeline infrastructure.

The Company continues to evaluate other oil and gas projects in British Columbia and Alberta . If successful these projects will not be part of the merger with Bighorn, Wyn and Tenaka but will be transferred into the Company's wholly owned subsidiary, Flying A Exploration Ltd. It is expected that Flying A Exploration Ltd will be spun out as a new public company immediately prior to the merger occurring. The Company will seek shareholder approval of this spin-out at the same time it seeks shareholder approval of the merger.

Shareholders of Flying A on the record date for the amalgamation shall become shareholders of Canada Gas Corp., (the share exchange ratio to be determined). In addition, they will receive shares in the Company's subsidiary, Flying A Exploration Ltd., (the share exchange ratio to be determined) concurrent with the above-mentioned spin-off occurring.

Flying A announces that it has negotiated a non – brokered private placement to issue up to 22 million units at a price of \$0.05 per unit for gross proceeds of up to \$1.1million. Each unit will consist of one common share of the Company and one full warrant, with each warrant being exercisable into a share for two years at a price of \$0.10 from the closing date of the private placement. A finder's fee of a combination of cash, shares and/or warrants will be paid to eligible finders in relation to this financing, all in accordance with regulatory policies.

Proceeds received from the offering will be used for ongoing programs in Northeastern British Columbia and for general working capital.

The foregoing is subject to regulatory approval where required. For more information on the Prophet River project and the Company's other natural gas projects, please visit www.flyingapetroleum.com.

ON BEHALF OF THE BOARD OF DIRECTORS

“Nash Meghji”

Nash Meghji

President

This communication to shareholders and the public contains certain forward looking statements. Actual results may differ materially from those indicated by such statements. All statements, other than statements of historical fact, included herein, including without limitations statements regarding future production, are forward looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.