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CANCEN OIL CANADA INC.

**CANCEN ANNOUNCES AGREEMENTS WITH ASTRA ENERGY CANADA
MIDSTREAM SERVICES INC.**

FOR IMMEDIATE RELEASE

January 3, 2012

**TSX Venture Exchange
Trading Symbol: COI**

EDMONTON, ALBERTA – January 3, 2012 – CANCEN Oil Canada Inc. ("CANCEN" or the "Corporation" - TSX Venture: COI) announces that it has entered into three agreements with Astra Energy Canada Midstream Services Inc. ("Astra Midstream") whereby CANCEN will build or acquire a number of additional processing, terminalling, storage, custom treating, and blending facilities in specifically targeted locations in the Western Canadian Sedimentary Basin that will be marketed to producers by Astra Midstream.

Management believes the arrangement with Astra Midstream will increase CANCEN's market penetration and market share while Astra Midstream brings to CANCEN the ability to access all producers through Astra Midstream's customer base in developing the relationship

These agreements will give CANCEN the ability to market the crude oil produced from all of its facilities to the worldwide market through Astra Energy Canada Inc and are described as follows.

FACILITIES AGREEMENT

The Facilities agreement provides:

- i. CANCEN will offer its full range of services (slop oil disposal, tank bottom disposal, vacuum truck receiving, custom treating, custom blending, truck steaming, and hot water sales) to Astra Midstream and producers at its existing facilities throughout the Western Canadian Sedimentary Basin.
- ii. Astra Midstream will utilize the CANCEN facilities to store, blend, purchase and sell oil processed at these facilities (the "Midstream Business").
- iii. CANCEN will earn an annual fee from ASTRA MIDSTREAM based on the net revenues of the Midstream Business.
- iv. CANCEN has agreed, at its cost, to acquire, design and construct at least five (5) new facilities by October 1, 2014, at which CANCEN will offer its full range of services to producers including custom treating, blending terminalling, slop oil processing, solids handling, and landfill capabilities.

MARKETING AGREEMENT

CANCEN has appointed Astra Midstream as the independent marketing representative for CANCEN to promote and solicit orders for the facilities for which it will receive a monthly fee based on net revenues of the facilities.

STORAGE AGREEMENT

Astra Midstream and CANCEN will agree on the location, size and scope of the storage tanks, related blending facilities, pipeline connections and other equipment required to perform the storage and blending services in given market areas. CANCEN shall, at its cost, risk construct these facilities. Astra Midstream will have exclusive use of these blending and storage facilities for a monthly storage fee based on operational capacity to conduct the Midstream Business.

About CANCEN Oil Canda Inc.

CANCEN is an energy services company that focuses on providing specialized services to upstream oil and natural gas companies operating in the Western Canadian Sedimentary Basin. The services provided by CANCEN assist these companies with the treatment and sale of crude oil and the handling of by-products associated with oil and natural gas development and production. The services provided by CANCEN include crude oil emulsion treatment, oilfield waste processing, and disposal of produced and waste water. As at the date hereof, the Corporation's services are provided at five facilities in Alberta and one facility in British Columbia.

About the Astra Group of Companies.

The Astra Group is a large international physical energy trading organization. The core of the Astra Midstream Group's business is trading physical crude oil, petroleum products and associated commodities with offices throughout the world. The Astra Group's experience in all aspects of the downstream markets allows it to operate as an effective partner with refiners, wholesale distributors, shipping company's terminal operators and producers. The Astra Group has a history of refiner ownership and currently owns a 40,000 barrel per day U.S. Oil Refinery in Tacoma Washington (USA). Astra has diverse refinery experience.

The Astra Group controls approximately 11,000,000 barrels of strategically located owned and leased storage worldwide, and operates a fleet of time chartered tankers. The Group's business includes operations in multiple sectors of the energy industry including ethanol, biodiesel, LPG, coal, natural gas, wind energy, and others.

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Disclaimer for Forward-Looking Information

This press release contains forward-looking statements and information that are based on the beliefs of management and reflect the Corporation's current expectations. When used in this press release, the words "estimate", "project", "belief", "anticipate", "intend", "expect", "plan", "predict", "may" or "should" and the negative of these words or such variations thereon or comparable terminology are intended to identify forward-looking statements and information. The forward-looking statements and information in this press release include information relating to the closing of the Qualifying Transaction. Such statements and information reflect the current view of the Corporation with respect to risks and uncertainties that may cause actual results to differ materially from those contemplated in those forward-looking statements and information.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and the Corporation undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change. Investors are cautioned against attributing undue certainty to forward-looking statements.

The Corporation cautions that the foregoing list of material factors is not exhaustive. When relying on the Corporation's forward-looking statements and information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Corporation has also assumed that material factors will not cause any forward-looking statements and information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors.

Neither TSX Venture nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture) accepts responsibility for the adequacy or accuracy of this release.

The securities of the Corporation have not been, nor will be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent U.S. registration or an applicable exemption from U.S. registration requirements. This release does not constitute an offer for sale of securities in the United States.