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TSX Venture Exchange - TFA.A

NEWS RELEASE

**TRAFINA PLACES FOURTH MCMULLEN OIL WELL ON PRODUCTION
AND ANNOUNCES POTENTIAL SALE OF SOUTHWEST SASKATCHEWAN ASSETS**

Calgary, Alberta – December 21, 2011 - Trafina Energy Ltd. ("Trafina" or the "Company") is pleased to provide an update on its previously disclosed drilling of a fourth vertical well at 08-28-077-25 W4M at McMullen, Alberta. Coring and pressure test data revealed an encouraging well and as a result the well was placed on production on November 29, 2011. First oil sales from the 08-28 well occurred December 17, 2011. Current production from three producing vertical wells at McMullen is in excess of 90 barrels of oil per day. Trafina is very encouraged by production results to date and if rates continue to be positive, the Company expects that it may drill as many as twelve slant wells in the upcoming winter drilling season.

Trafina is also pleased to announce that it has entered into a non-binding letter of intent (the "LOI") whereby Trafina has agreed to sell its entire working interest in its Rangeview and Divide properties located in southwest Saskatchewan (the "Properties") to an arm's-length private energy company. If completed, proceeds (including adjustments) from the sale of the Properties are anticipated to be approximately \$1.8 million. Pursuant to the LOI the prospective purchaser has paid a non-refundable deposit of \$75,000 to the Company. The sale of the Properties is subject to execution of a definitive purchase and sale agreement, which, if executed, is anticipated to provide for closing to occur on January 15, 2012 and to be subject to a number of conditions including, but not limited to, approval of the TSX Venture Exchange. If completed, net proceeds from the sale of the Properties will be used to reduce outstanding debt and for further development of the Company's McMullen property.

About Trafina

Trafina is a junior oil and gas company based in Calgary, Alberta. The Company's main areas of interest are in the McMullen area of Alberta with other operated and non-operated production in Wetaskiwin. Trafina's shares trade on the TSX Venture Exchange under the stock symbol TFA.A and warrants trade under the stock symbol TFA.WT.A.

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Forward Looking Statements: *This news release contains forward looking statements and forward looking information based on management's current expectations regarding the sale of the Properties including execution of a definitive purchase and sale agreement, approval of the TSX Venture Exchange, the timing of closing and the use of net proceeds therefrom. There can be no assurance that the sale of the Properties will be completed as proposed or at all. The Company has also provided forward looking statements regarding its fourth vertical McMullen well including the number and type of future wells that may be drilled in the McMullen area. Operational forward looking information is based on management's expectations regarding actual production rates from the four McMullen wells, future growth in reserves and cash flow, results of operations, future commodity prices and foreign exchange rates, future capital and other expenditures (including the amount, nature and sources of funding thereof), plans for and results of drilling activity, environmental matters, business prospects and opportunities and future economic conditions. Readers are cautioned that assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be incorrect. Forward looking statements involves significant known and unknown risks and uncertainties. Reference is made to Trafina's revised annual information form for the year ended December 31, 2010 dated April 8, 2011 and management's discussion and analysis for the nine months ended September 30, 2011 for a description of some of the risks that could affect the Company's future results and could cause results to differ materially from those expressed in the Company's forward looking statements. The forward looking statements contained in this news release are made as at the date hereof and, except as required by applicable securities laws, Trafina does not undertake any obligation to update publicly or otherwise any such statements.*

Neither the 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.