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TSX Venture Exchange - TFA.A

NEWS RELEASE

**TRAFINA AGREES TO EXTEND CLOSING DATE OF SALE
OF SOUTHWEST SASKATCHEWAN ASSETS**

Calgary, Alberta – January 17, 2012 - Trafina Energy Ltd. ("Trafina" or the "Company") and the proposed purchaser of the Company's entire working interest in its Rangeview and Divide assets located in southwest Saskatchewan (the "Properties") have agreed to extend the date of closing to on or before January 31, 2012. The extension requires the purchaser to pay an additional \$50,000 non-refundable deposit to the Company by January 18, 2012 (failing which the purchase and sale will terminate). In addition to the deposit, closing remains subject to satisfaction of other conditions customary for transactions of this nature. If completed, proceeds from the sale (including adjustments) are anticipated to be approximately \$1.9 million and will be used to pay down the Company's debt.

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.

For further information, please contact:

Kelly J. Ogle, President and Chief Executive Officer
Telephone: (403) 263-0800
Fax: (403) 263-0811
E-Mail: info@trafinaenergy.com

Robert W. Lamond, Chairman
Telephone: (403) 269-9889
Fax: (403) 269-9890
TSX Venture: TFA.A

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 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. 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.