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TSX Venture Exchange - TFA.A

NEWS RELEASE

TRAFINA TERMINATES SALE AGREEMENT FOR SOUTHWEST SASKATCHEWAN ASSETS

Calgary, Alberta – January 27, 2012 – Trafina Energy Ltd. ("Trafina" or the "Company") announces that it has terminated the asset sale agreement with the proposed purchaser of the Company's entire working interest in its Rangeview and Divide assets located in southwest Saskatchewan (the "Properties"). Trafina first announced the transaction in a news release on December 21, 2011. Although the potential buyer paid an initial \$75,000 non-refundable deposit, Trafina terminated the agreement after the buyer failed to pay an additional \$50,000 non-refundable deposit by January 18, 2012. The proposed purchaser continues to indicate an interest in the southwest Saskatchewan assets, leaving open the possibility of a future sale agreement between the two parties.

The Properties are currently producing approximately 70 barrels of oil per day from the Upper Shaunavon and Madison oil zones, in addition to some minor gas production. While the Company's focus is on its McMullen heavy oil project in northern Alberta, Trafina has identified future developmental potential on the southwest Saskatchewan properties by way of drilling several horizontal wells.

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 views regarding the possibility of signing a future sale agreement to dispose of the Properties, if at all, and regarding future development potential of the Properties. 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.