

UNDERGROUND ENERGY CORPORATION MODIFIES TERMS OF RECENT STOCK OPTION GRANT

November 15, 2011 – Santa Barbara, California – Underground Energy Corporation (“Underground” or the “Corporation”)(TSX VENTURE SYMBOL: UGE), an oil and gas exploration and development company with assets in the Western United States, today announced that it has modified the terms of its grant of options as detailed in the Corporation’s press release dated November 10, 2011. Each stock option granted will now entitle the holder thereof to acquire one common share of the Corporation at an exercise price of \$US0.284 (previously \$US0.226). No amendments were made to the expiry date or vesting provisions under the original grant.

About Underground Energy

Underground is focused on identifying, acquiring rights to, exploring for, developing and producing oil reserves from shale formations in North America using the latest exploration and recovery techniques and technologies. Underground focuses on identifying and acquiring sizable land positions and prospects in historically prolific but under-explored shale formations as well as in emerging shale plays that, in both instances, hold large volumes of oil and gas resources. UE currently holds mineral rights on approximately 83,284 net acres of highly prospective lands in California and Nevada with an initial focus on the Monterey shale in California.

Underground Energy Corporation is listed on the TSX Venture Exchange under the ticker symbol “UGE”. For more information on Underground please visit www.ugenergy.com.

Cautionary 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.

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