

ARCAN RESOURCES LTD. ANNOUNCES YEAR END RESULTS AND FILING OF ITS ANNUAL FINANCIAL STATEMENTS AND MD&A

Calgary, Alberta, Canada, April 22, 2010 – Arcan Resources Ltd. (TSXV – "ARN") ("**Arcan**" or the "**Corporation**") is pleased to announce its December 31, 2009 year end results along with a report on its oil and gas reserves as of December 31, 2009, as evaluated by the Corporation's independent reserve engineering firm, GLJ Petroleum Consultants Ltd. (the "**GLJ Report**"). Arcan's reserves evaluation was conducted pursuant to National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* ("**NI 51-101**") and the Canadian Oil and Gas Evaluation Handbook. In addition, to the GLJ Report, Arcan has publicly filed its annual financial statements and management's discussion and analysis for the year ended December 31, 2009. These documents can be retrieved electronically from the SEDAR system under Arcan's profile at www.sedar.com.

The Swan Hills 5-34-67-8W5 Horizontal Multi-Stage Fracture Well:

Arcan is also pleased to report on the progress of its second horizontal multi-stage fracture well in the Swan Hills Area. The well was drilled to a vertical depth of 2,450 meters into the Beaverhill Lake carbonate reservoir with a horizontal leg of 1,165 meters. The horizontal section was successfully completed using 10 separate, 60 cubic meter 28% hydrochloric acid fracture stimulation treatments. Arcan has set up production testing equipment to recover the spent acid from the formation and commence testing on the well. Arcan will release the test results of the well when the information becomes available. Weather conditions delayed the test until Arcan could construct a more permanent road into the location. The new road will allow Arcan to truck production to existing Arcan operated production facilities. Arcan sees this well as a significant step forward in the continuing process of accelerating production and reserve capture on its 140 net sections of land on the Swan Hills play.

2009 Highlights:

- Despite a 27% increase in the number of shares outstanding during the year, net asset value decreased 18% at December 31, 2009 to \$3.08 per diluted share from \$3.77 per diluted share in 2008 (proved plus probable, discounted at 10%);
- Restricted capital spending to \$11.5 million, of which \$5.0 million was in the fourth quarter, due to the challenging year in the global markets. Low capital investment translated into average 2009 production of 1,375 boe per day, within the targeted 1,300 – 1,700 boe per day range, but below the Corporation's average 1,498 boe per day for 2008;
- Created a 1.7 times recycle ratio on operating netbacks of \$24.10 per boe and a \$14.29 per boe finding, development and acquisition ("**FD&A**") cost, providing the Corporation with a 19 year reserve life index based on the fourth quarter 2009 average production rate;
- Raised \$12.8 million in equity in the fourth quarter to fund the drilling of the Corporation's first horizontal multi-stage fracture well in the Swan Hills area;
- Drilled six (3.2 net) wells and continued to increase water injection in both Hamburg and Swan Hills;
- Drilled in Q1, 2010, two (1.8 net) successful horizontal multi-stage fractured light oil wells in Arcan's Swan Hills light oil play and commenced drilling six (4.8 net) more;
- Raised \$65 million in equity and purchased an adjoining property to the Deer Mountain Unit #2 (the "**Unit**") for \$53.3 million (the "**Acquisition**"), both of which closed on March 31, 2010; and
- Started the process to increase bank lines of credit from \$50 million to \$70 million.

Highlights	Year Ended December 31, 2009	Year Ended December 31, 2008	Year Ended December 31, 2007
Financial (\$000's, except per share amounts)			
Petroleum and natural gas revenues	27,290	48,657	27,505
Cash provided by operating activities	4,328	23,969	11,429
Funds from operations ⁽¹⁾	5,345	24,553	10,927
Per share – basic ⁽¹⁾	0.14	0.65	0.33
Net income (loss)	(5,743)	7,001	(910)
Per share - basic	(0.15)	(0.19)	(0.03)
- diluted	(0.15)	(0.18)	(0.03)
Bank loan	28,586	29,633	13,906
Total assets	151,251	149,724	123,285
Total liabilities	55,784	61,493	43,815
Shareholders' equity	95,468	88,231	79,471
Capital expenditures, net – cash	11,495	34,922	50,272
Common shares outstanding	47,940	37,869	36,492
Weighted average – basic	39,502	37,543	32,724
Weighted average – diluted ⁽³⁾	39,502	38,525	32,724
Sales Volumes			
Crude oil and NGLs (bbls per day)	1,021	1,128	798
Natural gas (mcf per day)	2,124	2,220	2,278
Barrels of oil equivalent (boe per day) ⁽²⁾	1,375	1,498	1,178

Notes:

- (1) The reader is referred to the section - "Non-GAAP Measurements" in this press release.
(2) The reader is referred to the section - "Oil, NGLs and Natural Gas Conversions to BOEs" in this press release.
(3) Basic and diluted weighted average shares are the same in 2009 and 2007 as the Corporation incurred a loss in these periods. In 2008 982,107 shares were included as dilutive securities as the remainder of the warrants, stock options, and performance options were anti-dilutive.

Summary results of production and summary reserve information at December 31, 2009 (excluding the Acquisition) are as follows:

	Year Ended December 31, 2009	Year Ended December 31, 2008	% Change
Production			
Oil & NGL's (bbls/day)	1,021	1,128	(9)
Natural Gas (Mcf/day)	2,124	2,220	(4)
Combined (boe/day)	1,375	1,498	(8)
% Light Oil	74%	75%	
Drilling Activity			
Total Wells	6.0	12.0	(50)
Working interest wells	3.2	9.8	(67)
Undeveloped Land			
Gross acres	86,202	87,762	(2)
Net acres	54,721	63,689	(14)
Reserves (Proved plus Probable)			
Oil & NGL's (Mbbbls)	8,406	8,673	(3)
Natural Gas (MMcf)	6,054	7,011	(14)
Combined (Mboe)	9,415	9,842	(4)
% Light Oil			

	Year Ended December 31, 2009	Year Ended December 31, 2008	% Change
Finding, development and acquisition costs			
Proved (\$/boe)	8.48	16.81	(50)
Proved plus Probable (\$/boe)	14.29	16.35	(13)
Recycle Ratio - Proved plus Probable	1.7	3.3	
Net Asset Value per fully diluted share			
NPV 10%, before tax	\$3.08	\$3.77	(18)
NPV 15%, before tax	\$1.88	\$2.84	(34)

The Acquisition – Completed March 31, 2010

On March 31, 2010 Arcan closed a \$65.0 million financing issuing 26,000,000 common shares at \$2.50 per share. The proceeds were primarily applied to fund the Acquisition of interests in 102 gross (81 net) sections of land with approximately 500 boe per day of existing production. After closing the Acquisition, Arcan owns a consolidated 100% interest in over 70 sections of land immediately adjacent and to the south of its existing infrastructure in the Unit and a total of over 150 gross (140 net) sections of land on the Swan Hills reef play. None of the following tables or calculations include the metrics of the Acquisition.

Net Asset Value

As detailed in the table below, the net asset value ("NAV") of \$3.08 per diluted share at December 31, 2009 (on the basis of proved plus probable ("P+P") reserves discounted at 10% has decreased by 18% over December 31, 2008. The decrease in net asset value can be mainly attributed to the dilutive impact related to the 10 million shares issued in October 2009. Those funds were used to drill the new horizontal multi-stage fracture well in the Swan Hills reef play. In 2009, Arcan invested \$11.5 million and grew the present value of the Corporation's reserves by \$17.1 million (P+P discounted at 10%) (\$176.4 million closing reserves plus \$12.1 million in operating netbacks less \$171.5 million opening reserves). Arcan expects that its investment in horizontal multi-stage acid fracture wells and waterfloods will continue to add value for 2010 and beyond from its current 19 year reserve life. These values and opening numbers have not been adjusted to include the impact of the changes announced in March 2010 to the Alberta royalty framework.

This NAV calculation is presented for December 31, 2009 and December 31, 2008 and incorporates estimates that may not be comparable year-over-year and are only at one point in time. An independent evaluation was performed for reserves, however, land values and seismic values are based on management's estimates of costs. The reader is cautioned that the presentation does not reflect all aspects of the Corporation. Reserve estimates are derived from reserve reports prepared by Arcan's independent reserve engineers GLJ Petroleum Consultants Ltd. ("GLJ").

Net Asset Value	December 31, 2009		December 31, 2008	
	(P+P discounted at 5%)	(P+P discounted at 10%)	(P+P discounted at 5%)	(P+P discounted at 10%)
(\$000s except number of shares and per share)				
Present value of reserves	236,782	176,410	226,925	171,457
Undeveloped acreage (2009 - \$169 per acre)	10,220	10,220	11,062	11,062
Seismic	600	600	800	800
Working capital deficit	(34,779)	(34,779)	(40,406)	(40,406)
Dilution proceeds *	2,745	2,745	0	0
Estimated value	215,568	155,196	198,381	142,913
Shares (thousands)	50,331*	50,331*	37,869*	37,869*
Estimated NAV per share *	4.28	3.08	5.24	3.77

* Share figures for 2009 include all dilutive securities namely: 47,940,060 common shares; 750,000 performance warrants exercisable at \$1.00 per share; and 1,641,000 stock options that are in the money at their average exercise price of \$1.23 (these were all dilutive securities exercisable below the \$1.45 December 31, 2009 share trading price). For 2008, share figures include the 37,868,560 common shares of Arcan outstanding as all other convertible securities were non-dilutive to the \$0.41 December 31, 2008 share trading price. Dilution proceeds for 2009 include 750,000 performance warrants exercisable at \$1.00, 462,500 stock options exercisable at \$1.00, and 1,178,500 stock options exercisable at \$1.30.

Finding, Development and Acquisition Costs

For the year ended December 31, 2009, Arcan added 0.1 million barrels of oil equivalent ("**mmboe**") of P+P reserves in 2009 (9.4 mmboe closing reserves plus 0.5 mmboe production less 9.8 mmboe opening reserves) on a \$1.1 million capital program (\$11.5 million capital per the December 31, 2009 financial statements plus \$34.8 million of closing future capital in the December 31, 2009 reserve report (P+P) less \$45.2 million closing future capital in the December 31, 2008 reserve report (P+P)) to calculate a \$14.29 FD&A cost per P+P boe. The aggregate of the exploration and development costs incurred in the most recent fiscal year and the change during that year in estimated future development costs generally will not reflect total finding and development costs related to reserves additions for that year.

The FD&A costs below were based on a very restricted capital spending program. It is anticipated that the full impact of the horizontal development of the Swan Hills reef play and the related shift in reserves will be realized over the next few years.

P+P FD&A Costs	2009	2008	3 year average	LTD
Capital expended (\$millions)	11.5	38.4	109.2	184.3
Change in future capital (\$millions)	(10.4)	15.0	5.8	34.8
Total Capital (\$millions)	1.1	53.4	115.0	219.1
2009 reserve additions (mmboe)	0.1	3.3	5.9	11.1
2009 P+P FD&A (\$ per boe)	\$14.29	\$16.18	\$19.49	\$19.73
Proved FD&A Costs	2009	2008	3 year average	LTD
Capital expended (\$millions)	11.5	38.4	109.2	184.3
Change in future capital (\$millions)	(10.5)	14.8	6.0	27.6
Total Capital (\$millions)	1.0	53.2	115.2	211.9
2009 reserve additions (mmboe)	0.1	3.2	5.2	8.8
2009 Proven FD&A (\$ per boe)	\$8.48	\$16.63	\$22.15	\$24.01

Arcan invested substantially in infrastructure in prior years through facilities, drilling water source wells, and converting some of its best producing wells into injector wells (typically, the best producers also make the best injectors). In waterflood projects the majority of the capital is invested at the front end to produce results over the long term. Arcan's previous investments in two waterfloods are starting to pay off, which is reflected in the 2009 FD&A costs. Going forward, Arcan expects to see a higher ratio of investments in drilling development wells to fully capture the resources related to the Swan Hills light oil property. For 2010, Arcan expects a transition upward in revenues and netbacks as commodity prices related to oil have risen and Arcan is investing in horizontal multi-stage fracture oil wells in the Swan Hills reef play.

Recycle Ratio

The recycle ratio is a measure for evaluating the effectiveness of a Corporation's reinvestment program. The ratio measures how well the Corporation replaced every boe of production. The table below depicts that Arcan received a net \$24.10 per boe sold and it cost \$14.29 to find a replacement boe. Arcan strives for a recycle ratio of 2.0 or better but only achieved a ratio of 1.7 based on a very restricted capital program and low commodity prices.

For the year ended December 31, 2009, Arcan estimated that it had a 1.7 times recycle ratio on 0.1 million boe proved plus probable reserve additions and a \$14.29 FD&A cost (using a 10% discount factor) with a 19 year reserve life index. With proved reserve additions of 0.1 million boe, Arcan estimated a proved FD&A cost of \$8.48 per boe (using a 10% discount factor) for the year ended December 31, 2009. Life to date, Arcan estimates it has a recycle ratio of 2.0 times, based on a \$19.73 P+P FD&A (discounted at 10%) and a \$38.95 operating netback.

Recycle Ratio	2009	2008	3 year average	LTD
Operating netback (\$/boe)	24.10	53.98	38.95	38.85
Proven finding and development costs (\$/boe)	8.48	16.63	22.15	24.01
Proven reinvestment efficiency ratio	2.8	3.2	1.8	1.6
Proven plus probable finding and development costs (\$/boe)	14.29	16.18	19.49	19.73
Proven plus probable reinvestment efficiency ratio	1.7	3.3	2.0	2.0

Reserve Life Index

Using the fourth quarter ended December 31, 2009 average production of 1,352 boe per day and December 31, 2009 year-end proved plus probable reserves, Arcan has a reserve life of 19 years. Arcan anticipates the reserve life index to decline as production rates are anticipated to elevate.

Production (Q4 ended December 31, 2009 average boe per day)	1,352
Proved reserves (mboe)	7,136
Proved reserve life index (years)	14.5
Proved plus probable reserves (mboe)	9,416
Proved plus probable reserve life index (years)	19.1

Corporate Reserves Information

In accordance with NI 51-101, the GLJ Report was prepared by GLJ on April 12, 2010. The GLJ Report evaluated the oil, NGL and natural gas reserves attributable to Arcan effective as at December 31, 2009.

The tables included in this press release exclude the Acquisition which closed on March 31, 2010. Production history from all new horizontal wells drilled and on production in 2010 will provide data for updated reserves calculations for the year ended December 31, 2010.

The tables included in this press release are a summary of the oil, NGL and natural gas reserves attributable to Arcan and the net present value of future net revenue attributable to such reserves as evaluated in the GLJ Report, based on forecast price and cost assumptions. The tables summarize the data contained in the GLJ Report and, as a result, may contain slightly different numbers than contained in the GLJ Report due to rounding. Also due to rounding, certain columns may not add exactly. Readers should review the definitions and information contained in "Presentation of Arcan's Oil and Gas Reserves and Production Information" and "Abbreviations and Conversion".

The estimated net present value of future net revenues attributable to Arcan's reserves in Alberta is based upon the new Alberta royalty framework which was passed into law in December 2008 as well as the transitional royalty rates made available to oil and gas producers in respect of certain new wells spud on or after November 19, 2008, but does not include the effects of the short-term royalty incentives or additional changes announced in March 2010 announced by the Government of Alberta. The net present value of future net revenue attributable to reserves is stated without provision for interest costs and general and administrative costs, but after providing for estimated royalties, production costs, development costs, other income, future capital expenditures, and well abandonment costs for only those wells assigned reserves by GLJ. The undiscounted or discounted net present value of future net revenue attributable to reserves estimated by GLJ do not represent the fair market value of those reserves. Other assumptions and qualifications relating to costs, prices for future production and other matters are summarized herein. The recovery and reserve estimates of oil, NGL and natural gas reserves provided herein are estimates only. Actual reserves may be greater than or less than the estimates provided herein.

The values shown for income taxes and future net revenue after income taxes were calculated on a stand-alone basis in the GLJ Report. The values shown may not be representative of future income tax obligations, applicable tax horizon or after-tax valuation.

The GLJ Report is based on certain factual data supplied by Arcan and incorporates GLJ's opinion of reasonable practice in the industry. The extent and character of ownership and all factual data pertaining to petroleum properties and contracts (except for certain information residing in the public domain) were supplied by Arcan to GLJ. GLJ accepted this data as presented and neither title searches nor field inspections were conducted.

Summary of Oil and Gas Reserves – Forecast Prices and Costs

Reserves Category	Light & Medium Oil		Natural Gas ⁽¹⁾		Natural Gas Liquids	
	Gross ⁽²⁾ (Mbbls)	Net ⁽³⁾ (Mbbls)	Gross ⁽²⁾ (Mmcf)	Net ⁽³⁾ (Mmcf)	Gross ⁽²⁾ (Mbbls)	Net ⁽³⁾ (Mbbls)
Proved						
Developed Producing	3,829	2,436	3,360	2,551	169	103
Developed Non-Producing	0	0	169	151	1	1
Undeveloped	2,203	1,467	526	372	258	156
Total Proved	6,032	3,903	4,055	3,074	428	260
Total Probable	1,797	1,063	1,999	1,519	149	91
Total Proved + Probable	7,830	4,966	6,054	4,593	576	351

Notes:

- (1) Estimates of reserves of natural gas include associated and non-associated gas.
- (2) "Gross Reserves" are Arcan's working interest share of remaining reserves before the deduction of royalties.
- (3) "Net Reserves" are Arcan's working interest share of remaining reserves less all Crown, freehold, and overriding royalties and interests owned by others.

Net Present Value of Future Net Revenue – Forecast Prices and Costs

Reserves Category	Net Present Value of Future Net Revenue ⁽¹⁾										Unit Value ⁽³⁾ (\$/BOE)
	Before Income Taxes - Discounted at (%/yr)					After Income Taxes - Discounted at (%/yr) ⁽²⁾					
	0 (MM\$)	5 (MM\$)	10 (MM\$)	15 (MM\$)	20 (MM\$)	0 (MM\$)	5 (MM\$)	10 (MM\$)	15 (MM\$)	20 (MM\$)	
Proved											
Developed Producing	153.8	110.8	86.4	71.0	60.5	144.0	106.1	83.9	69.7	59.7	29.14
Developed Non-Producing	1.0	0.8	0.7	0.6	0.5	0.7	0.6	0.6	0.5	0.5	25.66
Undeveloped	104.1	74.4	56.2	44.2	35.6	78.1	56.3	42.9	34.0	27.7	33.37
Total Proved	258.9	185.9	143.2	115.7	96.7	222.8	163.0	127.4	104.2	87.8	30.64
Total Probable	94.1	50.8	33.2	24.3	19.1	70.6	38.1	24.8	18.1	14.2	23.56
Total Proved + Probable	353.0	236.8	176.4	140.0	115.7	293.4	201.1	152.2	122.3	102.1	29.00

Notes:

- (1) Net present value of future net revenue includes all resource income: sale of oil, gas, by-product reserves; processing of third party reserves; and other income.
- (2) Income taxes includes all resource income, appropriate income tax calculations and prior tax pools.
- (3) Calculated using net present value of future net revenue before deducting income taxes, discounted at 10% per year. Unit values are based on the Corporation's net reserves.

Pricing Assumptions – Forecast Prices and Costs

GLJ employed the following pricing, exchange rate and inflation rate assumptions as of December 31, 2009, in the GLJ Report in estimating reserves data using forecast prices and costs.

Year	Inflation	Medium and Light Crude Oil			Natural Gas		
		WTI Cushing Oklahoma 40° API (US\$/bbl)	Edmonton Par Price 40° API (\$/bbl)	Cromer Medium 29.3° API (\$/bbl)	Alberta Gas Reference Price Plant Gate (\$/MMBTU)	AECO - C Spot (\$/MMBTU)	Exchange Rate (\$US/\$Cdn)
2009 (actual)	0.3	61.56	66.43	63.19	3.99	4.20	0.880
2010	2.0	80.00	83.26	76.60	5.75	5.96	0.950
2011	2.0	83.00	86.42	78.64	6.58	6.79	0.850
2012	2.0	86.00	89.58	80.62	6.68	6.89	0.950
2013	2.0	89.00	92.74	82.54	6.73	6.95	0.950
2014	2.0	92.00	95.90	85.35	6.84	7.05	0.950
2015	2.0	93.84	97.84	87.07	6.94	7.16	0.950
2016	2.0	95.72	99.81	88.83	7.20	7.42	0.950
2017	2.0	97.64	101.83	90.63	7.72	7.95	0.950
2018	2.0	99.59	103.88	92.46	8.29	8.52	0.950
2019	2.0	101.58	105.98	94.32	8.47	8.69	0.950

All pricing in the above table, excluding inflation and the exchange rate, are escalated at 2.0% per year thereafter.

Corporate Overview – The Swan Hills Reef

Arcan's new horizontal wells demonstrate the potential that the multi-stage fracture technology is expected to have on the revival of the Swan Hills reef complex and the ability to significantly enhance the recovery of the large volume of oil in place. The multi-stage fracture wells represent a shift in the exploitation of the Swan Hills reef complex. Horizontal multi-stage fracture wells exhibit productive capability of up to 8 times that of an average vertical producer at only two times the cost.

The application of the multi-stage acid fracture technology was one of the first wells of its kind in the region and revived Alberta's Swan Hills reef complex, creating a technology-driven light oil resource play. In 2008, Arcan's technical team recognized a potentially game-changing new development approach: exploiting the model of horizontal wells completed with multiple hydraulic fractures that had proved so successful in other light oil and natural gas resource plays, but adapted through acid fracturing to the Swan Hills reef's soluble carbonate rock. By late 2009, following comprehensive evaluation of area vertical well control and new geological mapping Arcan prepared to test this approach. Our first multi-stage acid-fractured horizontal well at 12-29-68-8W5 ("12-29") was tested in early February 2010. Its results signalled the revival of the nearly 60-year-old Swan Hills reef reservoir, which had been considered in terminal decline – and an all-new oil resource play. The well was brought on-production in February 2010 at greater than 600 bbls/d of light, 40° API sweet oil. Arcan's second horizontal well, drilled five miles away, was fractured on April 13, 2010. At this time Arcan has three rigs in operation. By Q3, 2010 Arcan plans to have drilled and tested a total of eight gross multi-stage acid-fractured horizontal wells.

Our activities in the Swan Hills started in September 2005, when Arcan purchased a 10 % interest in the Unit and purchased a further 65 % in August 2006 as well as additional interests to bring it to 81 %. Arcan also purchased interests in the connecting 50 section complimentary land block in April of 2008, entered into a farm-in on a portion of those lands and subsequently purchased the balance of those lands on March 31, 2010 through the Acquisition. Arcan now has 150 gross (140 net) sections of land on the Swan Hills play.

On December 9, 2009 Arcan spudded its first multi-stage fracture horizontal well in the Swan Hills oil reef play at 12-29. This is a carbonate reservoir in the Beaverhill Lake formation. The well was fractured on January 31, 2010 using 10 separately staged acid fracture treatments and tested at over 600 boe per day of 40 API sweet oil. Arcan tied the well into Arcan's operated production facility on February 23, 2010. On February 9, 2010, the 5-34-67-8W5 ("5-34") well was drilled to a vertical depth of 2,450 meters and was logged with core indicating over 14 net meters of oil bearing reef. Arcan subsequently decided to whipstock the 5-34 well and drill it horizontally. The horizontal leg was drilled an approximately 1,165 meters in oil bearing reef and on April 13, 2010 the 5-34 well was multi-stage acid fractured utilizing a 10 stage stimulation treatment. Arcan anticipates releasing the results of this test in the next few weeks. Arcan has built a road to this new well and intends to truck oil from this well until it can be connected to its existing infrastructure. The drilling rig was subsequently moved to a pad at 15-29-68-8W5 where it is currently in the process of drilling the first of two horizontal wells during this break-up period. The first of these two wells has been drilled and cased with an approximately 1,100 meter horizontal leg and the second well has commenced drilling.

A second rig is currently in the process of drilling two horizontal wells on the pad at 10-17-68-8W5. The first of these two wells has been drilled and cased with an approximately 1,100 meter horizontal leg and the second well has commenced drilling. A third rig was moved onto the pad at 10-29-68-8W5 and is currently in the process of drilling two horizontal wells. The first of these two wells has been drilled and cased with an approximately 1,100 meter horizontal leg and the second well has commenced drilling.

The horizontal drilling and multi-stage fracture completion capital along with associated equipment and tie in costs is expected to be approximately \$4.7 million per well. Arcan has existing operated pipelines and facilities in place to accommodate 4,000 bbls/d with room for expansion to approximately 8,000 barrels per day for an estimated cost of \$1 million.

For 2010, the Corporation is implementing plans based on ongoing drilling success and expect to follow-up with significant water injection turning its large land block into a growing production base with solid reserve bookings, allowing Arcan to continue to solidify its value. Based on results to date, Arcan anticipates average production of 2,500 to 3,000 boe per day in 2010 and an estimated exit production of 3,500 to 4,000 boe per day. Arcan's initial budget indicated 7-9 horizontal wells for 2010. Arcan will re-evaluate that forecast through break-up, as an estimated eight wells will have been drilled by the end of Q3 2010.

Going forward, field-wide development is envisioned at three horizontal wells plus one vertical water injection well per land section. Overall recovery at Deer Mountain Unit #2 through vertical development, 57 years after the pool's discovery, is at ten % of an estimated 39 million barrels of original-oil-in-place. Arcan hopes to achieve an increase in the overall recovery factor through horizontal drilling. We are targeting at least 40 % recovery over the longer term at Deer Mountain Unit #2 and the larger, recently acquired lands of the Corporation.

As at December 31, 2009, Arcan had \$34.8 million in debt and working capital and for 2010 anticipates remaining within cash flow and its bank lines. Arcan is evaluating the growth of its production base in 2010 through a prudent level of investment based on anticipated cash flow.

Outlook

The application of the horizontal multi-stage acid fracture wells to the Swan Hills reef property is changing Arcan's asset base. The Acquisition and drilling, combined with water injection are expected to generate increased production and recoveries creating enhanced reserves and NAV. With significant investments in infrastructure in place, Arcan now looks to continue to take advantage of its development inventory to continue to increase NAV per share through horizontal multi-stage acid fracture wells in the Swan Hills reef play. Our plans for 2010 and beyond include:

- expansion of drilling horizontal multi-stage fracture wells in the Swan Hills reef light oil play on the Corporation's 140 net sections of land. Arcan also intends to increase capacity at the battery and increase and expand the existing water injection scheme;
- continued development and water injection in the Hamburg GG pool; and
- ongoing review of opportunities at in the McLeod area.

Arcan's 2010 capital program is expected to remain within cash flow and expanded debt capacities and will continue to focus mainly on rapid growth through in the Swan Hills. The Corporation's strengths include over \$170 million of tax pools, a strong slate of directors, experienced staff, excess productive capacity for tie-in, recently initiated and growing waterfloods, new drilling plans and significant growth potential.

Additional information regarding Arcan's annual results, including the management's discussion and analysis for the year ended December 31, 2009 and the year ended December 31, 2008 and the audited financial statements for the year ended December 31, 2009 and for the year ended December 31, 2008, together with the notes related thereto, are being filed by Arcan concurrently with this press release and will be available under Arcan's SEDAR profile at www.sedar.com.

Arcan Resources Ltd. is an Alberta, Canada corporation that is principally engaged in the exploration, development and acquisition of petroleum and natural gas located in Canada's western sedimentary basin. Arcan has 75,058,571 common shares, 328,120 warrants and 7,359,000 stock options outstanding.

Advisories

Non-GAAP Measurements

Readers are cautioned that this press release contains financial terms that are not considered measures under Canadian generally accepted accounting principles ("GAAP"), including the term funds from operations, which should not be considered an alternative to, or more meaningful than, cash provided by operating activities or net earnings as determined in accordance with GAAP as an indicator of Arcan's performance. Arcan also presents funds from operations per share, whereby funds from operations is divided by the basic weighted average number of common shares outstanding to determine per share amounts. Operating and corporate netbacks are also presented. Operating netbacks represent Arcan's revenue, less royalties and operating expenses, and corporate netbacks represent Arcan's operating netback, less realized economic hedging losses, general and administrative and interest expense, in order to determine the amount of funds generated by production. Operating and corporate netbacks have been presented on a per boe basis, as well.

These measures do not have any standardized meaning prescribed by GAAP and therefore are unlikely to be comparable to similar measures presented by other companies. Management believes that funds from operations and operating and corporate netbacks are useful supplemental measures as they provide an indication of the ability of Arcan to fund future growth through capital investment and/or repay debt. These measures have been described and presented in this press release in order to provide shareholders and potential investors with additional information regarding Arcan's liquidity and its ability to generate funds to finance its operations. Arcan's method of calculating funds from operations may differ from that of other companies, and, accordingly, may not be comparable.

Oil, NGLs and Natural Gas Conversions to boes

Production and reserve information is commonly reported in units of barrel of oil equivalent ("boe"). For purposes of computing such units, natural gas is converted to equivalent barrels of oil using a conversion factor of six thousand cubic feet to one barrel of oil. Boes may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet of natural gas to one barrel of oil (i.e., 6 Mcf: 1 bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Readers should be aware that historical results are not necessarily indicative of future performance.

Advisory Regarding Forward-Looking Information and Statements

This press release contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "guidance", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this press release contains forward-looking information and statements pertaining to the following: Arcan's income taxes, tax liabilities and tax pools; the volume and product mix of Arcan's oil and gas production; the timing of well testing and the release of such results; the number of wells Arcan intends to drill and the timing of such drilling; oil and natural gas prices and Arcan's risk management programs; the amount of asset retirement obligations; recovery factors; future liquidity and financial capacity and resources; cost and expense estimates; results from operations and financial ratios; cash flow sensitivities; royalty rates and their impact on Arcan's operations and results; future growth including development, exploration, and acquisition and development activities and related expenditures.

The forward-looking information and statements contained in this press release reflect several material factors and expectations and assumptions of Arcan including, without limitation: that Arcan will continue to conduct its operations in a manner consistent with past operations; the general continuance of current or, where applicable, assumed industry conditions; availability of debt and/or equity sources to fund Arcan's capital and operating requirements as needed; the continuance of existing and, in certain circumstances, proposed tax and royalty regimes; the accuracy of the estimates of Arcan's reserve volumes; and certain commodity price and other cost assumptions. Arcan believes the material factors, expectations and assumptions reflected in the forward-looking information and statements are reasonable at this time but no assurance can be given that these factors, expectations and assumptions will prove to be correct. The forward-looking information and statements included in this press release are not guarantees of future performance and should not be unduly relied upon. Such information and statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information or statements including, without limitation: changes in commodity prices; unanticipated operating results or production declines; changes in tax or environmental laws or royalty rates; increased debt levels or debt service requirements; inaccurate estimation of Arcan's oil and gas reserves volumes; limited, unfavourable or no access to debt or equity capital markets; increased costs and expenses; the impact of competitors; reliance on industry partners; and certain other risks detailed from time to time in Arcan's public disclosure documents including, without limitation, those risks identified in this press release, and in Arcan's annual information form, copies of which are available on Arcan's SEDAR profile at www.sedar.com.

The forward-looking information and statements contained in this press release speak only as of the date of this press release, and Arcan does not assume any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable laws.

For further information, please contact:

Ed Gilmet
Chief Executive Officer and President
egilmet@arcanres.com; or

Douglas Penner
Chief Financial Officer and
Vice President, Finance
dpenner@arcanres.com

Arcan Resources Ltd.
Suite 3200, 450 – 1st Street S.W.
Calgary, AB T2P 5H1
Telephone (403) 262-0321
Fax (403) 262-4636

NEITHER 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.