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RESOURCES LTD
ARCAN

ARCAN RESOURCES LTD. ANNOUNCES THIRD QUARTER 2010 RESULTS AND COMMENCEMENT OF NEXT PHASE OF DRILLING PROGRAM

CALGARY, Alberta, Canada, November 19, 2010 – Arcan Resources Ltd. (TSXV – "ARN") ("**Arcan**" or the "**Corporation**") announces updated operations, the filing of its third quarter 2010 financial statements and management's discussion and analysis and the commencement of the next phase of its horizontal multi-stage fractured well drilling program in its Swan Hills Beaverhill Lake development play ("**Swan Hills**"). Arcan's third quarter 2010 financial statements and management's discussion and analysis can be retrieved electronically from the SEDAR system under Arcan's profile at www.sedar.com.

Third Quarter 2010 Highlights and Updated Operations

- Record production of 2,740 barrels of oil equivalent ("**boe**") per day for the three months ended September 30, 2010, up 115% from the 1,274 boe per day for the three months ended September 30, 2009 and up 41% from the 1,943 boe per day for the three months ended June 30, 2010.

- Operating netbacks rose to $39.98 per boe (revenue of $67.87 per boe and operating cost of $11.95 per boe) for the three months ended September 30, 2010 up 126% from $17.67 per boe for the three months ended September 30, 2009 and 10% from $36.31 per boe for the three months ended June 30, 2010.

- Funds from operations increased to $7.7 million ($0.10 per diluted share) for the three months ended September 30, 2010 up from $0.03 million ($0.00 per diluted share) in the three months ended September 30, 2009 and up 70% from $4.5 million for the three months ended June 30, 2010.

- The Corporation focused on Swan Hills, drilling three (2.6 net) new horizontal wells in the three months ended September 30, 2010 and has drilled a total of 12 (10.1 net) horizontal wells in Swan Hills as of September 30, 2010.

- Subsequent to the end of the third quarter, Arcan plans on utilizing three drilling rigs to commence the next phase of drilling operations which is estimated to include three wells prior to the end of 2010 and up to nine additional wells in the first quarter of 2011. The first well in this next phase, Arcan's thirteenth horizontal well, has already finished drilling at (02-02) 04-02-68-9W5 and completion operations on this well are anticipated to commence shortly. Well number 14 is drilling within Deer Mountain Unit #2 (the "**DM Unit**") and is Arcan's first dual leg horizontal well. Well number 15 is the first horizontal well in the Morse River Unit #1 (75% interest) (the "**Morse Unit**") where there is existing production infrastructure and an approved water flood already implemented. Well 16 is anticipated to be spudded shortly inside of the Ethel oil pool (100% interest) in the center of Arcan's large undeveloped land base.

- Subsequent to the end of the quarter, Arcan closed an equity financing, raising $50 million through the issuance of 10.4 million common shares at $4.80 per share, on November 5, 2010.

- As at November 18, 2010, Arcan has entered into financial oil contracts for a total production of 2,000 barrels per day for fiscal 2011 through collars with a Canadian WTI $70.00 floor and an approximate $100.00 ceiling.

Financial and Operating Summary	**Three Months Ended**		**Nine Months Ended**	
	September 30, 2010	September 30, 2009	**September 30, 2010**	September 30, 2009
Financials ($000s except per share amounts)				
Oil and NGL sales	**16,607**	5,894	**34,940**	17,001
Natural gas sales	**500**	652	**2,214**	2,485
Total petroleum and natural gas revenue	**17,107**	6,546	**37,154**	19,486
Cash flow from operating activities	**5,371**	1,235	**11,588**	4,699
Funds from operations [1]	**7,652**	32	**14,980**	4,678
Per share basic [1]	**0.10**	0.00	**0.23**	0.12
Per share diluted [1]	**0.10**	0.00	**0.23**	0.12
Net loss	**(1,355)**	(1,408)	**(3,151)**	(4,013)
Per share basic	**(0.02)**	(0.04)	**(0.05)**	(0.11)
Per share diluted	**(0.02)**	(0.04)	**(0.05)**	(0.11)
Capital expenditures – cash	**28,386**	3,111	**120,461**	6,516
Total assets	**269,833**	146,130	**269,833**	146,130
Total liabilities	**111,361**	61,360	**111,361**	61,360
Shareholders' equity	**158,472**	84,770	**158,472**	84,770
Bank loan	**55,141**	41,360	**55,141**	41,360
Net debt and working capital	**78,270**	42,622	**78,270**	42,622
Operating				
Production:				
Crude oil (barrels per day)	**2,523**	913	**1,785**	1,027
Natural gas (Mcf per day)	**1,301**	2,166	**1,619**	2,130
Total (boe per day) (6:1)	**2,740**	1,274	**2,055**	1,382
Average realized price:				
Crude oil ($ per barrel)	**71.55**	70.18	**71.70**	60.63
Natural gas ($ per Mcf)	**4.18**	3.27	**5.01**	4.27
Combined average (incl. processing revenue) ($ per boe)	**67.87**	55.85	**66.23**	51.64
Netback ($ per boe)				
Petroleum and natural gas sales	**67.87**	55.85	**66.23**	51.64
Royalties	**15.94**	17.15	**15.80**	12.09
Operating and transportation expenses	**11.95**	21.03	**13.44**	14.34
Operating netback	**39.98**	17.67	**36.99**	25.21
Realized economic hedging losses – cash	**-**	4.11	**-**	1.86
G&A expenses – cash	**7.50**	9.07	**7.96**	7.65
Interest expense – net	**2.07**	4.21	**2.27**	3.07
Corporate netback	**30.41**	0.28	**26.76**	12.63
Common Shares (000s)				
Shares outstanding, end of period	**75,418**	37,869	**75,418**	37,869
Weighted average shares [2] - basic	**75,245**	37,829	**66,297**	37,829
- diluted	**75,245**	37,829	**66,297**	37,829

Notes:

(1) The reader is referred to the section – "Special Note Regarding Non-GAAP Measures" in this press release.

(2) In computing the net loss per diluted share in the respective periods, nil shares were added to the weighted average number of shares outstanding because they were anti-dilutive.

Overview

Arcan's production increased throughout the third quarter of 2010 as new wells were tested and brought on-stream. For the three months ended September 30, 2010 Arcan experienced record production and oil weighting along with improvements in cash flow and operating and corporate netbacks. In the third quarter of 2010, production averaged 2,740 boe per day with operating netbacks averaging $39.98 per boe on an Edmonton light sweet oil price of $73.51 per barrel. Based on a 92% light oil weighting, Arcan posted a record cash flow of $7.7 million for the third quarter of 2010. By the end of the third quarter of 2010, 11 of Arcan's 12 new horizontal oil wells in Swan Hills were on-stream and the twelfth well was tied in on October 25, 2010. Over the first nine months of 2010, production has increased 49% to 2,055 boe per day from 1,382 boe per day in the same period in 2009. Production gains combined with a 28% commodity price increase have both contributed to Arcan's 91% increase in revenues to $37.2 million from $19.5 million leading to a 215% increase in corporate netbacks to $15.0 million for the nine months ended September 30, 2010 from $4.8 million for the nine months ended September 30, 2009.

Arcan's activities in Swan Hills commenced in September 2005 and developed with vertical well technology until December 9, 2009 when Arcan spudded its first multi-stage fracture horizontal well in Swan Hills at 9-29-68-8W5 ('9-29'). Arcan has invested $120 million in its capital program for the nine months ended September 30, 2010 including, on March 31, 2010, an acquisition of 81 net sections of offsetting and contiguous lands in Swan Hills (the "**Acquisition**") at a cost of $52.8 million to Arcan. The Acquisition lands combined with Arcan's existing lands provides Arcan with over 150 net sections of land on this play. In addition to the Acquisition, Arcan has drilled and completed 12 (10.1 net) horizontal wells and its extended water injection. Arcan anticipates its capital program could reach up to $150 million in 2010 as three drilling rigs are deployed on our Swan Hills development program. Arcan continues to be focused on developing the Swan Hills and estimates drilling up to 12 additional horizontal wells across its land base by the end of the first quarter of 2011.

Operations Update

Arcan has completed drilling its thirteenth well at (02-02) 04-02-68-9W5 ('4-02') and has moved that rig to the Morse Unit to drill Arcan's the first horizontal well in that unit. Arcan owns a 75% working interest in the Morse Unit which is comprised of seven sections of land, has existing oil battery and water handling facilities as well as an Energy Resources Conservation Board approved waterflood in place. Arcan's first horizontal multi-stage fracture well in the Morse Unit is at (02-31) 13-31-66-9W5 ('13-31') and is offsetting four recent multi-stage horizontal wells drilled by competitors on adjacent lands. A second drilling rig is drilling Arcan's first bilateral multi-stage fracture well at (13-30) 07-30-68-8W5 in the DM Unit where Arcan has an 81% working interest. Arcan is awaiting a third drilling rig with which Arcan expects to spud a new horizontal well in the vicinity of the Ethel oil pool in 67-8-W5. Arcan anticipates that all three of these wells will be drilled and completed by December 31, 2010. Arcan will continue to evaluate and adjust drilling, length, and completion technologies. Adjustments include recognizing that a 1,000 metre leg attracts a 5% royalty for the first 80,000 barrels and a 1,500 metre leg has a 5% royalty for the first 90,000 barrels, translating into approximately $500,000 in incremental royalty savings for an additional few days of drilling and a few additional fractures.

Arcan anticipates utilizing three drilling rigs until break-up in the spring, with one rig working in the DM Unit and the other two rigs working to develop the Ethel area. Arcan estimates that each drilling rig can drill approximately one horizontal well per month and the three rigs are estimated to drill nine wells in the first quarter of the 2011 drilling program. After drilling an estimated 12 new horizontal wells by the end of first quarter of 2011 Arcan will have 24 wells into Swan Hills. Arcan will review results from its fourth quarter 2010 and first quarter 2011 drilling before commencing the next drilling phase.

Arcan continues to implement water injection in the DM Unit by converting two vertical wells to injectors in the fourth quarter of 2010 to maintain voidage replacement. Arcan anticipates tying-in production in the first quarter of 2011 to the DM Unit facilities and is in the process of applying for waterflood approval in the Ethel pool with implementation expected to begin late in 2011. Waterflood investments must continue to be a high priority for Arcan in order to achieve the desired 40% recovery of the original oil-in-place. To achieve its ongoing development plans Arcan closed a $50 million equity financing on November 5, 2010 and increased its Credit Facility (as defined herein) from $70 to $100 million on September 30, 2010.

Arcan also continues to build a drill ready inventory and to plan two to three years ahead for drilling and new production facilities in the Ethel area. Arcan has 20 well locations which are drill ready, has surveyed 30 more, and is in the process of surveying a further 40 additional well locations. These existing inventory efforts are expected to set up a significant drilling inventory for 2011 and into 2012. Arcan's development of 12 horizontal wells in the first three quarters of 2010 was a significant operational success and speaks to the repeatability of the play. Each of these wells has a single 800 to 1,500 metre horizontal leg and was or will be completed using seven to 14 multi-stage acid fractures.

Production Update

Arcan continues to monitor and evaluate the performance of the 12 new horizontal producing wells. Statistically three of the wells have now been on production in excess of six months and the average production rate for the three wells over their first six month period of production is 282 boe per day per well. Eight of Arcan's new horizontal wells have been on production in excess of three months and the average production rate for these eight wells over their first three months of production is 327 boe per day per well. These production rates fall within Arcan's previously announced expected well performance which stated Arcan's internal economic analysis shows a 10 to 12 month payout and an estimated one year cumulative production number of 70,000 to 100,000 boe and potential ultimate recovery of 400,000 to 600,000 boe per well with water flood support resulting in a rate of return of 125% to 200% per well. Results and economic analysis indicate an estimated average production rate for a well over that first year to be approximately 200 to 300 boe per day. This estimated production rate at the end of the first year is anticipated to have an arrested decline in subsequent years due to the reservoir pressure maintenance from the existing or anticipated waterflood activities. These estimates continue to be based upon the current horizontal production data, over 30 years of vertical well production and waterflood history from the DM Unit and as well as adjacent Swan Hills production which historically has shown very low production declines over a 30 to 40 year reserve life index.

In an ongoing effort to maximize production from the new horizontal wells, Arcan is drilling out the existing fracture seats and fracture balls on the majority of the currently producing horizontal wells. These re-entries commenced subsequent to the end of the quarter, in October 2010, utilizing a coil tubing drilling rig and taking production off-line for up to two weeks per well. The operation involves the removal of surface production equipment with a service rig to prepare for the operation, the drilling of the fracture balls with a coil tubing unit, swabbing to recover drilling fluids and reinstallation of the surface equipment. Early results from these operations show positive production gains and the procedure is expected to be completed on all 12 wells by mid-December. The short term production outages caused by these operations will affect Arcan's fourth quarter and annual average production averages; however, Arcan anticipates the operation will have a positive impact on well economics as well as 2010 exit production. During these operations, production is expected to be maintained at approximately 3,000 boe per day and all 12 wells should be back on-stream by mid December 2010. On new wells Arcan anticipates that it will drill out the fracture seats and fracture balls immediately after completing fracturing operations and prior to initial production.

Outlook

The repeatable application of the horizontal multi-stage acid fracture wells to Swan Hills is changing Arcan's asset base. The Acquisition and drilling, combined with water injection are expected to generate significantly increased production, recoveries and reserves. With investments in infrastructure already in place, Arcan now looks to continue to use its deep development inventory to increase value through horizontal multi-stage acid fracture wells in Swan Hills. Arcan's first round of drilling focused on the DM Unit lands. Arcan's plans for 2010 and 2011 include:

- increasing productive capacity at the battery and expanding its existing water injection scheme, expansion of drilling horizontal multi-stage fracture wells in Swan Hills on its 140 net sections of land outside of the DM Unit lands, building a road and pipeline system to connect production from the southern lands to existing infrastructure and tying in flared gas;

- continuing development and water injection in the Hamburg GG pool; and

- ongoing review of opportunities in the McLeod area.

Arcan plans to continue developing strategies to best exploit its land base over the long term. In the short term, Arcan intends to continue production on the 12 original horizontal wells drilled in Swan Hills, as well as drill an additional 12 horizontal wells using its existing debt and cash flow capabilities by the end of the first quarter of 2011. Management believes that the Corporation's strengths include over $220 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.

For a full understanding of the financial position and results of operations of the Corporation this press release should be read in conjunction with the interim unaudited financial statements for the three and nine month periods ended September 30, 2010 and the corresponding management's discussion and analysis, the audited financial statements of the Corporation for the year ended December 31, 2009 and 2008, together with the notes related thereto and other documents filed on SEDAR, including the related management's discussion and analysis, historical financial statements, Arcan's information circular dated April 22, 2010 and the Corporation's Annual Information Form dated April 22, 2010 for the year ended December 31, 2009. These documents are available at www.sedar.com under the Corporation's SEDAR profile.

On November 5, 2010, pursuant to the provisions of its stock option plan, Arcan granted an aggregate of 1,200,000 options to acquire an equivalent number of common shares of Arcan to certain directors and officers of Arcan. The options have an exercise price of $4.61 per share. The options expire on November 5, 2015. All stock option grants of Arcan are subject to receipt of the necessary regulatory approvals.

Arcan Resources Ltd. is an Alberta, Canada company that is principally engaged in the exploration, development and acquisition of petroleum and natural gas located in Canada's Western Sedimentary Basin. Arcan has 85,570,904 common shares and 8,458,501 stock options outstanding.

BOE Presentation – Production and reserve information is commonly reported in units of barrels 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. Boe's 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.

Special Note Regarding Non-GAAP Measures – Readers are cautioned that this press release contains 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 Canadian generally accepted accounting principles ("GAAP") as an indicator of Arcan's performance. Arcan also presents "funds from operations per share", whereby funds from operations are divided by the basis and diluted 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. Arcan determines funds from operations as cash flow from operating activities before changes in non-cash working capital.

The measures referenced above 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 MD&A 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.

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Advisory Regarding Forward-Looking Information and Statements

Readers should be aware that historical results are not necessarily indicative of future performance.

*This press release contains certain forward-looking information and statements within the meaning of applicable securities laws (collectively, "**forward-looking information**"). 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. In particular, but without limiting the foregoing, this press release contains forward-looking information pertaining to the following: Arcan's income taxes, tax liabilities and tax pools; production volumes and product mix of Arcan's oil and gas production; the rate at which Arcan's existing wells will be tied in; Arcan's drilling inventory; oil and natural gas prices and Arcan's risk management programs; resource recovery; the timing and results of drilling operations; the impact of the Acquisition; the amount of asset retirement obligations; future liquidity and financial capacity and resources; cost and expense estimates; results from operations and financial ratios; cash flows; operating costs; financing of expenditures; expectations respecting commodity prices; royalty rates and their impact on Arcan's operations and results; future capital requirements; production methods including the use of certain technologies; and future growth, including development, exploration, and acquisition and development activities and related expenditures*

The forward-looking information contained in this press release reflects 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; future oil, natural gas and NGL prices; and certain commodity price and other cost assumptions. Specifically, Arcan bases the number of wells it will drill in the short term on current estimated rig availability and drilling locations that are estimated to be ready to be drilled. Arcan bases estimates of ultimate per well recoveries on evaluations, estimates and projections from historical per well recoveries in the Swan Hills, adjusted for internally interpreted impacts of horizontal multi-stage fracture applications. Arcan also recognizes that ongoing waterflood activities are important and attempts to incorporate the impact, timing and costs of these activities into its projection processes, again based on historical evidence and experience in the Swan Hills and the Western Canadian Sedimentary Basin. Arcan believes the material factors, expectations and assumptions reflected in the forward-looking information 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 included in this press release is not a guarantee of future performance and should not be unduly relied upon. Such forward-looking information involves 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 including, without limitation: the early stages of production for a number of Arcan's producing wells; uncertainty relating to future production levels; 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 the Corporation's management's discussion and analysis for the three and nine months ended September 30, 2010 and in Arcan's annual information form for the year ended December 31, 2009, copies of which are available on Arcan's SEDAR profile at www.sedar.com. Readers are cautioned that the foregoing lists are not exhaustive. The impact of any one risk, uncertainty of factor on forward-looking information is not *determinable with certainty as these factors are interdependent and management's future course of action will depend on the assessment of all information at that time.*

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

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