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## **ARCAN RESOURCES LTD. ANNOUNCES INITIAL TEST RESULTS FROM ITS NINTH AND TENTH HORIZONTAL MULTI-STAGE FRACTURED WELLS AND ADDITIONAL HEDGING**

CALGARY, Alberta, Canada, September 15, 2010 – Arcan Resources Ltd. (TSXV – "ARN") ("**Arcan**") is pleased to report initial test results from its ninth and tenth horizontal multi-stage fractured wells in its Swan Hills Beaverhill Lake development program. Arcan also announces that it has entered into further financial oil contracts for a total of 1,000 barrels per day for fiscal 2011 through collars with a \$70 floor and a \$100 ceiling.

### **The Swan Hills (2-17) 13-17-68-8W5Hz ("13-17") and (2-17) 6-09-68-8W5Hz ("6-09") Horizontal Multi-Stage Fractured Wells**

Arcan's ninth and tenth horizontal multi-stage fractured wells were drilled in the Beaverhill Lake carbonate reservoir, each to a true vertical depth of 2,450 meters with horizontal legs of approximately 1,400 meters for a total measured depth of 4,005 meters. At a depth of 4,005 meters, the wells will be subject to a 5% royalty on the first 90,000 barrels of oil produced. The 13-17 and 6-09 wells were each successfully completed in August, 2010 using 14 separate, 43 cubic meter 28% hydrochloric acid fracture stimulation treatments. Arcan is pleased to announce that the two wells averaged in excess of 650 barrels of oil equivalent per day each of 40 API light sweet oil and associated sweet natural gas over their test periods. The 13-17 and 6-09 wells are the first Arcan wells to have 14 fracture stages over 1,400 meter horizontal legs versus Arcan's previous wells which, in general, have had 10 fracture stages over 1,000 meter horizontal legs. Both wells are on production and tied into Arcan pipeline infrastructure and production facilities.

Arcan has an 81% working interest in the 13-17 well, which is inside the Deer Mountain Unit #2, and a 100% working interest in the 6-09 well, which was drilled on the recently acquired lands to the south of the Deer Mountain Unit #2. The 6-09 well demonstrates the geologic and economic viability of the play trend continuing south onto Arcan's 140 net sections of largely undeveloped continuous land holdings.

Completion operations are ongoing on Arcan's eleventh and twelfth horizontal multi-stage fractured wells in Arcan's Swan Hills Beaverhill Lake development program. Arcan continues to anticipate drilling up to 15 wells in 2010 within its cash flow and bank debt capabilities, as previously outlined in its 2010 capital program.

### **Hedging Transactions**

In addition to the 1000 barrels per day previously hedged for 2011, Arcan has entered into two additional oil hedging transactions. Both of these new transactions consist of the purchase of a \$70.00 per barrel Canadian dollar WTI put and the sale of a \$100.00 per barrel Canadian dollar WTI call on 500 barrels per day of oil for the period from January 1, 2011 to December 31, 2011, for a total of 1,000 barrels per day. With these additional hedges in place, Arcan now has a total of 2,000 barrels per day hedged for 2011.

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 75,392,904 common shares, 143,500 warrants, and 7,283,167 stock options outstanding.

*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.*

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.

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 future drilling program, expectations regarding drilling and completion of new wells and expanding facilities, anticipated rates of production, expectations and assumptions concerning success of future exploration and development activities, the performance of existing wells and the performance and viability of new wells.

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; that the production from new wells will be comparable to the results realized from Arcan's existing horizontal wells, 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, unfavorable 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 for the year ended December 31, 2009, copies of which are available on Arcan's SEDAR profile at [www.sedar.com](http://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.

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