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ARCAN RESOURCES LTD. ANNOUNCES SUCCESSFUL RESULTS FROM ITS SECOND HORIZONTAL MULTI-STAGE FRACTURED WELL

CALGARY, Alberta, Canada, May 7, 2010 – Arcan Resources Ltd. (TSXV – "ARN") ("Arcan" or the "Company") is pleased to report initial test results from its second horizontal multi-stage fractured at 5-34-67-8W5 (surface location) 10-27-67-8W5 (bottom hole location) well in its Swan Hills reef development program.

The Swan Hills (5-34)10-27-67-8W5Hz (“10-27”) Horizontal Multi-Stage Fractured Well

Arcan is pleased to announce that after an eight day production flow test, Arcan has established that the well has a productive capacity over the test period in excess of 700 barrels per day of 40 API light sweet oil plus 50 boe per day of natural gas. Arcan has a 100% working interest in the well. Arcan is currently equipping the well with permanent production facilities, anticipating that forthcoming production will be trucked to an Arcan-operated facility. Arcan will continue to evaluate the production capability of this well once on production. The new 10-27 well was drilled over 5 miles away from Arcan's first horizontal multi-stage fractured well at (12-29)9-29-68-8W5Hz (“9-29”), which currently produces in excess of 400 barrels per day of 40 API sweet oil with no water cut after over 10 weeks of production since the well was tied into Arcan’s operated production facility on February 23, 2010.

The 10-27 well was drilled vertically into the Beaverhill Lake carbonate reservoir on the Swan Hills complex and was cored indicating over 14 net meters of oil-bearing reef. Arcan decided to whipstock horizontally to the 10-27 bottom hole location after announcing the acquisition of the remaining interests in the associated and offsetting lands. The horizontal section encountered approximately 1,200 meters in oil bearing reef and was completed using 10 separate, 60 cubic meter 28% hydrochloric acid fractured stimulation treatments on April 13, 2010.

Update of Arcan’s drilling program

Arcan has drilled and completed two horizontal multi-stage fracture wells to date, being the 9-29 and 10-27 wells. Arcan is currently utilizing three drilling rigs and anticipates it will soon have completed drilling six (4.9 net) additional horizontal wells during the 2010 spring break-up period with all six (4.9 net) completions to follow in the second or third quarter of 2010, depending on weather conditions. These wells are all approximately 2,500 meters deep with a 1,000 meter horizontal leg for a total length of approximately 3,500 meters.

Well	Surface Location	Spud Date	Comments
9-29-68-8W5	12-29-68-8W5	December 9, 2009	On Stream on February 23, 2010
10-27-67-8W5	5-34-67-8W5	February 9, 2010	Multi-stage fractured on April 13, 2010
8-30-68-8W5	10-29-68-8W5	March 10, 2010	Drilled and awaiting completion
5-28-68-8W5	10-29-68-8W5	April 18, 2010	Drilling
1-17-68-8W5	10-17-68-8W5	March 15, 2010	Drilled and awaiting completion
6-20-68-8W5	10-17-68-8W5	April 11, 2010	Drilled and awaiting completion
10-32-68-8W5	15-29-68-8W5	April 5, 2010	Drilled and awaiting completion
9-30-68-8W5	15-29-68-8W5	April 26, 2010	Drilling

The wells inside of the Deer Mountain Unit #2 (the “Unit”) were drilled from existing pad sites. Although this reduces existing production, as production from those well sites is shut down to accommodate the drilling, it allows Arcan to rapidly tie in the wells. Arcan anticipates that most of the current vertical wells will serve as water source wells or water injection wells in the future. Arcan has a further 15 (12 net) horizontal well locations inside of the Unit that are at or near the drill-ready stage and Arcan is also surveying well locations outside of the Unit.

Arcan expects that the capital costs of the horizontal drilling and multi stage fracture completion, along with associated equipment and tie-in costs, will be approximately \$4.7 million per well. Under announced Alberta royalty programs, Arcan is eligible to receive approximately \$0.7 million in drilling refunds and a 5% royalty on the first 50,000 bbls of production per well. Based upon Arcan's experience in the area, the new horizontal wells exhibit productive capability of up to eight times that of a typical vertical producing well, at only approximately twice the cost.

Seven of the eight new horizontal wells listed above are in the Unit, where Arcan already has existing operated pipelines and facilities in place to accommodate 4,000 barrels per day, with room for expansion to 8,000 barrels per day for a cost of approximately \$1.9 million. Arcan anticipates that it will develop the land base utilizing three horizontal producing wells per section and that Arcan’s inventory already exceeds 220 horizontal drilling locations.

Deer Mountain / Swan Hills Summary

Arcan feels that the results of its first two horizontal wells demonstrate the potential that the multi-stage fracture technology is expected to have on the revival of the exploitation of the Swan Hills reef complex, and Arcan's ability to further enhance the recovery of the original oil in place. Arcan holds interests in approximately 150 gross (140 net) sections of land on the Swan Hills reef play that extend over 15 miles north/south along reef and where over 9 miles has already demonstrated productivity with vertical wells, and that will now be developed using the new horizontal well multi stage fracture technology.

Arcan believes that it has acquired a significant land position in the next emerging horizontal light oil resource play. Arcan expects that it will be able to repeat the use of horizontal drilling and multi-stage fracturing technology to convert the Swan Hills reef play from a long-life light oil legacy resource play to a significant growth opportunity, and could provide an increase in value to Arcan's shareholders. .

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 75,082,071 common shares, 293,500 warrants, and 7,359,000 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 costs of drilling new wells and expanding facilities, potential effects of changes in drilling methods on future drilling results, potential effects of new drilling methods on future shareholder value, royalty regime provisions, anticipated capital expenditures and anticipated rates of production, expectations and assumptions concerning success of future exploration and development activities, the performance of existing wells and the performance 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. However, 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: the failure to obtain necessary regulatory approvals or satisfy the conditions to closing the acquisition and the offering, 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.

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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