



FOR IMMEDIATE RELEASE

DECEMBER 9, 2003

## **CONNACHER COMPLETES FINANCING; PROVIDES ACTIVITY UPDATE**

Calgary, Alberta – Connacher Oil and Gas Limited (CLL – TSX) announces it has completed its previously announced bought-deal equity issue of 5,162,000 common shares (including 400,000 additional common shares which were optioned to the underwriters) at a price of \$1.05 per common share, and 3,703,800 flow-through common shares at a price of \$1.35 per flow-through common share. Gross proceeds were \$10.4 million which, after payment of commissions and costs of the issue, will be used to fund the continued exploration and development of Connacher's oil and gas properties in Canada.

Connacher now has 45.7 million common shares outstanding, with a further 2.9 million common shares reserved for outstanding stock options and 5.1 million shares reserved for outstanding common share purchase warrants, including 310,303 warrants, exercisable for one year at \$1.18 per common share, which were issued in conjunction with this financing to the underwriters, Canaccord Capital Corporation and Acumen Capital Partners Ltd. Fully-diluted, Connacher would have 53.7 million common shares outstanding.

Since October 1, 2003 Connacher has drilled 35 gross (34.5 net) wells, 34 gross (34 net) in Canada and one gross (0.5 net) well in Argentina. All 35 wells have been cased for completion, including 25 wells at Cabri/Shackleton, Saskatchewan; four wells at Battrum, Saskatchewan; one well at Tompkins, Saskatchewan; four wells at Islay, Alberta, and one gross (0.5 net) well in Argentina.

At Cabri/Shackleton in southwest Saskatchewan, Connacher now has 31 natural gas wells on its North Block. Of these wells, twenty-six will be completed and tied-in to market via TransGas at an expected rate of 5 mmcf/d by year end. The remaining five natural gas wells are expected to be completed and tied-in to the system in early 2004, as they were only recently drilled and cased. They will provide additional surplus deliverability to the scheduled sales rate. These new natural gas sales are coming onstream at high seasonal prices and will significantly augment Connacher's monthly cash flow while also contributing to the achievement of year-end target production rates.

At Battrum, Saskatchewan Connacher has drilled and cased four new oil wells and will be completing these near-term. At Lloydminster, Alberta Connacher has drilled four wells, including one horizontal oil well. All of these wells should be onstream by year end, with significant oil volumes expected from the horizontal well. The first of four scheduled 2003 farmin wells at Tompkins/Gull Lake, Saskatchewan has been cased for evaluation of several hydrocarbon-bearing zones. Finally, while the short-run productivity of the PMN-1001 well on the La Ramona prospect in Argentina has declined from initial reported levels, Connacher and the operator aim to improve productivity by conducting a workover on the well in early 2004, with plans to restimulate one or more of the oil-bearing zones. Further follow-up development and exploratory drilling on the Puesto Morales-Rinconada concession is also anticipated in 2004, although planned expenditures represent less than five percent of Connacher's expected capital program next year.

Connacher is a Calgary-based oil and gas exploration and production company. Its principal assets are located at Cabri/Shackleton and Battrum, Saskatchewan. It is expanding into the Tompkins/Gull Lake region of southwest Saskatchewan with a multi-well program on over 40,000 acres pursuant to a farmin-agreement. Connacher also owns 50 percent of the productive Puesto Morales Rinconada Concession in the Neuquen Basin, Argentina on which a light oil discovery was made in 2003. In 2004 over half of Connacher's planned \$45 million budget will be spent to develop and bring onstream an additional 10 mmcf/d of natural gas in the Cabri/Shackleton region of Saskatchewan. The company's common shares are listed for trading on the Toronto Stock Exchange under the symbol "**CLL**".

Certain statements in this Press Release are not historical facts and should be considered to be "forward-looking statements". All estimates and statements that describe the company's future plans are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. Actual results will differ and such difference could be material.

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