



FOR IMMEDIATE RELEASE

October 25, 2004

Connacher Announces Private Placement Financing of up to \$20.25 Million

CALGARY, Oct. 25 /CNW/ - Connacher Oil and Gas Limited (CLL - TSX) today announced it has entered into an agreement with Dominick & Dominick Securities Inc. ("Dominick") whereby Dominick will act as agent for a private placement offering of common shares and flow through common shares.

Pursuant to the terms of the agreement, up to 30,000,000 common shares and up to 10,000,000 flow through common shares will be offered at a subscription price of \$0.475 per common share and \$0.60 per flow through common share for gross proceeds of up to \$20.25 million.

The private placement will be completed on a best efforts agency basis, primarily in the Provinces of Alberta, British Columbia and Ontario.

Proceeds from the financing will be used to provide working capital and to fund Connacher's western Canadian exploration and development activities at its Great Divide oil sands project in northeastern Alberta and on conventional properties at Battrum and Tompkins in southwest Saskatchewan.

In connection with the private placement, Connacher has agreed to pay the agent a cash commission of 7% and to issue non-transferable broker warrants equal to 6% of the number of common and flow through common shares sold, with each warrant entitling the holder to acquire one Connacher common share from treasury at a price of \$0.59 per common share for a period of 18 months from closing, which is expected to occur on or before November 15, 2004.

The financing is subject to normal regulatory approval.

Connacher is a Calgary-based oil and gas exploration and production company. Connacher owns a 100% working interest in 83 sections (53,120 acres) of oil sands rights at its highly prospective Great Divide SAGD oil sands project in the Divide/Hangingstone region southwest of Ft. McMurray, Alberta. Its principal conventional assets are located at Battrum and Tompkins in southwest Saskatchewan.

Additionally, Connacher holds a 50% non-operated working interest in the Puesto Morales/Rinconada concession in the Neuquen Basin, Argentina. The company is examining a reorganization of its Argentinean interests into a separate public company.

Following the sale of certain Canadian properties earlier this year, the company's current daily production is approximately 800 barrels of oil equivalent (6 mcf = 1 boe). Presently there are 47.7 million common shares outstanding (54 million fully-diluted).

"Per barrel equivalent (boe) amounts have been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil (6:1). The conversion is based on an energy equivalency conversion method primarily applicable to the burner tip and does not necessarily represent a value equivalency at the wellhead."

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