



PRESS RELEASE

FOR IMMEDIATE RELEASE

August 17, 2005

CONNACHER ANNOUNCES BOUGHT DEAL FINANCING

Calgary, Alberta – Connacher Oil and Gas Limited ("Connacher" – **CLL** – TSX) announces that it has entered into an agreement to sell, to a syndicate of underwriters led by GMP Securities Ltd. and including TD Securities Inc., Jennings Capital Inc., Octagon Capital Corporation and Salman Partners Inc. (collectively, the "Underwriters"), 27,027,400 common shares at \$1.85 per share to raise aggregate gross proceeds of \$50,000,690 on a bought-deal basis. Connacher has granted the Underwriters an option, exercisable in whole or in part at any time prior to closing, to purchase up to an additional 13,513,600 common shares at the same offering price. Should the Underwriters' option be exercised in full, the total gross proceeds of the offer would be \$75,000,850. Closing is expected to occur on or about September 7, 2005.

The net proceeds from the financing will be used to fund Connacher's Great Divide SAGD project and for general corporate purposes

The securities offered have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent registration or applicable exemption from the registration requirements.

Connacher is a Calgary-based oil and natural gas exploration and production company. Its principal asset is its 100 percent ownership of the Great Divide oil sands project in Alberta, where 107 sections (68,480 acres) of oil sands leases are held. The company also owns extensive conventional acreage and oil production in southwest Saskatchewan. Connacher also owns 40 percent of Petrolifera Petroleum Limited, a Canadian company engaged in oil and natural gas exploration and production in Argentina and Peru.

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