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PRESS RELEASE

December 6, 2005

## **CONNACHER COMPLETES \$15 MILLION BOUGHT DEAL OFFERING OF FLOW-THROUGH COMMON SHARES**

Calgary, Alberta – Connacher Oil and Gas Limited (CLL – TSX) announces that it has closed the sale of 5,000,000 flow-through common shares (“Flow-Through Shares”) at \$3.00 per share to a syndicate of underwriters led by GMP Securities L.P. and including TD Securities Inc., Jennings Capital Inc., Raymond James Ltd., Bolder Investment Partners Ltd., Octagon Capital Corporation, Salman Partners Inc. and Dominick & Dominick Securities Inc. (collectively, the “Underwriters”). Management, friends and associates acquired \$2 million of the offering on the same terms and conditions as the public. Connacher now has 139,612,448 common shares outstanding (149,677,868 fully-diluted).

The net proceeds of the offering of Flow-Through Shares will be used to incur eligible Canadian exploration expenses, which will be renounced in favor of the purchasers for the 2005 taxation year. It is anticipated that the proceeds will primarily be used to further delineate and define Connacher’s Great Divide oil sands properties through the drilling of additional core holes and shooting additional 3-D seismic.

The securities offered have not been and will not be registered under the United States Securities Act of 1933, as amended, and were not and will 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 wishes to confirm that The Exclusivity Agreement signed by the Company related to negotiations to acquire refining assets in the United States was with Holly Corporation, an NYSE-listed company based in Dallas, Texas. The asset, which may possibly be purchased, is an 8,400 bbl/d refinery situated in Great Falls, Montana and is operated by Holly’s Montana Refining Company.

Furthermore, Connacher can also now report the Mandate Letter executed in relation to the proposed refinery purchase and project financing of a portion of the capital costs to develop Pod One at the Company’s Great Divide project was with BNP Paribas, one of the world’s largest banks which is actively engaged in energy and facility project financing on a worldwide basis, including in Canada.

Connacher is a Calgary-based oil and natural gas exploration and production company. The Company’s 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. This offering is another milestone in Connacher’s Great Divide capital raising program, which is anticipated to consist of project-related debt, additional equity and other alternatives aimed at enabling the Company to

complete its capital budget for 2006. Subject to regulatory approval, this program includes the development of Pod One at Great Divide.

Connacher owns extensive conventional acreage and oil production in southwest Saskatchewan and retains a 35 percent equity interest in Petrolifera Petroleum Limited, a Canadian public company engaged in oil and natural gas exploration and production in Argentina and Peru and whose common shares are listed on the Toronto Stock Exchange under the symbol PDP.

*Forward-Looking Statements: Except for statements of historical fact relating to the Company, this press release contains certain forward-looking statements within the meaning of applicable securities law. Forward-looking statements are frequently characterized by words such as “plan”, “expect”, “project”, “intend”, “believe”, “anticipate”;; “estimate” and other similar words, or statements that certain events or conditions “may” or “will” occur. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include the inherent risks involved in the exploration and development of oil sands properties, the uncertainties involved in interpreting drilling results and other geological data, fluctuating oil prices, uncertainties associated with obtaining regulatory approvals for the Great Divide oil sands project, the possibility of third-party requests for information or intervention which could delay regulatory approvals, the possibility of project cost overruns or unanticipated costs and expenses, uncertainties relating to the availability and costs of financing needed in the future and other factors including unforeseen delays. Certain information regarding the Company in this news release, including future development plans, proposed acquisitions and anticipated expenditures constitute forward-looking statements under applicable securities law. As an oil sands enterprise in the development stage, the Company faces risks, including those associated with exploration, development, regulatory approvals and the ability to access sufficient capital from external sources. As a consequence, actual results will differ, and may differ materially from those anticipated in the forward-looking statements. The Company undertakes no obligation to update forward-looking statements if circumstances or management’s estimates or opinions should change, unless required by law. The reader is cautioned not to place undue reliance on forward-looking statements. For additional information relating to the risks and uncertainties facing Connacher, refer to Connacher’s Revised Initial Annual Information Form for the year ended December 31, 2004 which is available on SEDAR at [www.sedar.com](http://www.sedar.com).*

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