



PRESS RELEASE

FEBRUARY 23, 2006

**CONNACHER ANNOUNCES COMPLETION OF
BOUGHT DEAL PRIVATE PLACEMENT FINANCING**

CALGARY, ALBERTA - Connacher Oil and Gas Limited (CLL - TSX) announced today that it closed its previously announced bought deal private placement financing. The total gross proceeds of the financing, which includes the exercise in full of the underwriters' option, were \$100,000,950, resulting in the issuance of 19,047,800 common shares at a price of \$5.25 per share. The bought deal was sold to a syndicate of underwriters led by GMP Securities L.P. and also included Raymond James Ltd., Dominick & Dominick Securities Inc., PowerOne Capital Markets Limited, Jennings Capital Inc., Octagon Capital Corporation, Bolder Investment Partners Ltd. and Mustang Capital Partners Inc. The common shares are subject to a four month hold period from closing. Connacher has 160,256,703 common shares outstanding following completion of the financing.

The net proceeds from the financing will be used to fund Connacher's ongoing exploration and development activities, for general corporate purposes, for working capital and may be used to partially reduce short-term indebtedness which may be incurred to acquire Luke Energy Ltd.

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 110 sections (70,400 acres) of oil sands leases are held. The company also owns extensive conventional acreage and oil production in southwest Saskatchewan. Connacher owns approximately 33 percent (basic) of Petrolifera Petroleum Limited (PDP - TSX), a Canadian public company engaged in oil and natural gas exploration and production in Argentina and Peru. Connacher has also agreed to acquire Luke Energy Ltd. and is negotiating a binding agreement pursuant to which it is proposing to acquire the refining assets of Montana Refining Company.

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