



**NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR
DISSEMINATION IN THE UNITED STATES**

PRESS RELEASE

May 9, 2007

**Connacher Announces \$87 Million Offering of
Senior Unsecured Convertible Debentures**

Calgary, Alberta, (May 9, 2007) – Connacher Oil and Gas Limited (TSX: CLL) (“Connacher” or the “Company”) is pleased to announce that it has entered into an agreement with a syndicate of underwriters led by RBC Capital Markets under which the underwriters have agreed to purchase C\$87,000,000 aggregate principal amount of Convertible Senior Unsecured Debentures due June 30, 2012 (the “Debentures”). Connacher has granted the underwriters an option (the “Over-Allotment Option”) to purchase up to an additional 15% in principal amount of Debentures on the same terms and conditions, exercisable up to 30 days following closing of the offering. Mustang Capital Partners Inc. assisted Connacher with the offering. The offering is scheduled to close on or about May 24, 2007.

The Debentures are senior, unsecured obligations of Connacher and will bear interest at a rate of 4.75% per annum payable semi-annually in arrears on June 30 and December 31 in each year commencing December 31, 2007. The Debentures are convertible at any time at the option of the holders into common shares at an initial conversion price of \$5.00 per common share. On or after June 30, 2010, Connacher has the right to redeem all or a portion of the Debentures at the principal amount plus accrued interest provided the current market price of Connacher’s common shares is at least 120% of the conversion price. The Debentures will mature on June 30, 2012.

The net proceeds of the offering will be used by the Company for general corporate purposes including funding a portion of Connacher’s capital expenditure program in respect of the development of its oil sands projects and for conventional capital expenditures.

A preliminary short-form prospectus will be filed with securities regulatory authorities in all provinces of Canada except Quebec. The offering is being made in all provinces of Canada except Quebec by means of a short-form prospectus, and is subject to the approval of securities regulatory authorities. The securities to be offered have not been and will not be registered under the U.S. Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of such Act. This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction.

Connacher is a Calgary-based oil and natural gas exploration and production company. Its principal asset is its 100 percent interest in reserves, resources and lands in the Great Divide regions of Alberta's oil sands. Connacher also has conventional crude oil and natural gas properties in Alberta and Saskatchewan, owns a 9,500 bbl/d refinery in Great Falls, Montana and owns a 26 percent basic and fully-diluted interest in, and assists in the management of, Petrolifera Petroleum Limited. This investment has a current market value in excess of \$240 million.

For further information, contact:

Richard A Gusella

President and Chief Executive Officer

Connacher Oil and Gas Limited

Phone: (403) 538-6201 Fax: (403) 538-6225

inquiries@connacheroil.com Website: www.connacheroil.com