



PRESS RELEASE

December 19, 2007

CONNACHER OIL AND GAS LIMITED ANNOUNCES COMMENCEMENT OF FIRST STAGE OF FULL TIME PRODUCTION AND INJECTION AT GREAT DIVIDE

Calgary, Alberta – Connacher Oil and Gas Limited (CLL-TSX) announces today that it has achieved another timely milestone in its ramp up to 10,000 barrels per day of bitumen production with the conversion of the first horizontal steam-assisted gravity drainage (“SAGD”) well pair to full time production/injection at its Great Divide Pod One SAGD project (“Pod One”), located approximately 50 miles south of Fort McMurray, Alberta.

The project has been circulating steam into all 30 wells (15 well pairs) as part of its approximately 90 day circulation and reservoir pre-heating phase. The first well pair has demonstrated that the upper horizontal well is ready to receive full time steam injection, while, as the reservoir continues to heat up, the lower well will become a full-time producer. Over the next several weeks, additional well pairs will be converted to full time injection/production wells as the expected and targeted operating parameters are met. This will continue into early first quarter 2008 until all well pairs are converted to full-time steam injection and bitumen production. As previously indicated, Connacher anticipates that Pod One production will ramp up to 10,000 barrels per day of bitumen from all 15 well pairs later in 2008.

To date the company is very pleased with the reservoir performance in the pre-heat or circulation phase, as it has essentially performed as anticipated. The company continues to produce and recover small but significant amounts of bitumen at surface in the circulation phase. This past week the project averaged 400 barrels per day of bitumen production and on occasion bitumen has been produced at rates of 600 barrels per day, indicating a positive response from the application of steam to the reservoir. This bitumen has been mixed with diluent and the volumes were trucked to market and sold.

Connacher Oil and Gas Limited is a Calgary-based Canadian oil and natural gas exploration, development and production company. The company’s principal assets are its significant bitumen reserves and resources and its 100 percent interest in approximately 95,000 acres of oil sands leases in the Great Divide region near Fort McMurray, Alberta. It also owns conventional production and reserves at Marten Creek and Three Hills, Alberta and at Battrum, Saskatchewan. Connacher owns and operates a 9,500 barrel per day refinery in Great Falls, Montana and maintains a valuable 26 percent equity stake in Petrolifera Petroleum Limited (PDP – TSX), a public company active in Argentina, Colombia and Peru in South America.

Forward-Looking Statements: This news release contains certain “forward-looking information” within the meaning of such statements under applicable securities law including: anticipated bitumen production and sales rates and the timeline for the achievement of anticipated production levels at Great Divide Pod One. Forward-looking information is frequently characterized by words such as “plan”, “expect”, “project”, “intend”, “believe”, “anticipate”, “estimate”, “may”, “will”, “potential”, “proposed” and other similar words, or statements that certain events or conditions “may” or “will” occur. These statements are only predictions. Forward-looking information is 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, difficulties or delays in start-up operations, the uncertainties involved in interpreting drilling results and other geological data, fluctuating oil prices, the possibility of unanticipated costs and expenses, uncertainties relating to the availability and costs of financing needed in the future and other factors including unforeseen delays. As an oil sands enterprise in the development stage, Connacher faces risks including those associated with exploration, development, start-up, approvals and the continuing ability to access sufficient capital from external sources if required. Actual production levels at Great Divide Pod One and the timelines

associated therewith may vary from those anticipated in this news release and such variations may be material. For a description of the risks and uncertainties facing Connacher and its business and affairs, readers should refer to Connacher's Annual Information Form for the year ended December 31, 2006. Connacher 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.

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