



**PRESS RELEASE**

**April 3, 2008**

**CONNACHER OIL AND GAS LIMITED BREAKS THROUGH 7,000 BARRELS PER DAY OF DAILY BITUMEN PRODUCTION AT GREAT DIVIDE POD ONE; CORPORATE PRODUCTION SURPASSES 10,600 BOE/D**

Calgary, Alberta – Connacher Oil and Gas Limited (CLL-TSX) announces today that its bitumen production rate surpassed 7,000 barrels per day at its Great Divide Pod One steam-assisted gravity drainage (“SAGD”) project in Alberta’s oil sands region.. When added together with Connacher’s conventional crude oil and natural gas production of 3,600 boe/d, Connacher’s total daily production is now approximately 10,600 boe/d. The company is extremely pleased with the production ramp-up achieved at Great Divide Pod One and with the performance of its conventional oil and gas properties.

Readers are cautioned that a barrel of oil equivalent (boe) is derived by converting natural gas to oil in the ratio of six thousand cubic feet of natural gas to one barrel of crude oil and that this may be misleading, particularly if used in isolation. A boe conversion is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

At Great Divide, Connacher’s SAGD project continues to exceed expectations as production builds towards achievement of anticipated production at the project design level of 10,000 bbl/d of bitumen later in 2008. Currently, 14 well pairs out of the 15 well pairs drilled have been converted to SAGD production. As has been stated in earlier releases, monitoring and performance data continues to exceed targets. Connacher’s operating, engineering and marketing staff continue to optimize the increased bitumen volumes, which are being blended with diluent and then being trucked to preferred markets. The key learnings in these areas will be incorporated into the design, startup and ramp up of the Pod Two (“ALGAR”) project, the application for which is currently working its way through the regulatory process. It is anticipated that this project will be approved by the summer 2008, with construction anticipated to start shortly thereafter.

The company continues to evaluate and interpret the results of the first quarter 2008 core hole drilling program, its 3D seismic program as well as Connacher’s conventional drilling program and is very encouraged by its interpretation.. Results will be released at the end of second quarter 2008, once the results have also been evaluated by the company’s independent qualified reserves evaluators.

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 98,000 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 Information:** This press release contains “forward-looking information” including: anticipated bitumen production and the timeline for the achievement of anticipated production levels at Great Divide Pod One and development of additional oil sands projects (including receipt of regulatory approvals in respect of Algar and timeline for construction of Algar). Forward-looking information is frequently characterized by words such as “plan”, “expect”, “project”, “intend”, “believe”, “anticipate”, “estimate”, “may”, “will”, “could”, “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 press 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, 2007, which is available at [www.sedar.com](http://www.sedar.com). Connacher undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change, unless required by law. Due to the risks and uncertainties inherent in forward-looking information, the reader is cautioned not to place undue reliance on this forward-looking information.*

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