



FOR IMMEDIATE RELEASE

MARCH 23, 2004

**CONNACHER UPDATES ACTIVITIES;
YEAR-END RESULTS TO BE ISSUED APRIL 8, 2004**

Calgary, Alberta – Connacher Oil and Gas Limited (CLL – TSX) intends to release 2003 operating and financial results as well as its reserves report on April 8, 2004, following Board review and approval. Preliminary unaudited information suggests the company's proved reserves more than doubled compared to year-end 2002 and that proved and probable reserves more than tripled compared to established volumes of the prior year. Reserve estimates for 2003 are being prepared in compliance with National Instrument 51-101.

Connacher also advises it has experienced some complications since the late December 2003 startup of natural gas production at Cabri, Saskatchewan. Extremely cold weather in January and February 2004 contributed to the problems and complicated efforts to resolve some of the startup issues. The various shutdowns may impact individual long-term well performance. As a consequence of the challenges which have been encountered, daily natural gas production has been in the range of 25 to 40 percent of planned output of five mmcf/d.

Early spring breakup and the imposition of road bans have also restricted the company's ability to conduct some of the remedial activities that would improve production levels. Once access is available to conduct remedial action, the company anticipates workovers, completion of new zones, additional infill drilling and tying in eight new wells that have already been drilled will improve production levels. Furthermore, until the challenges of the Cabri North block have been resolved, Connacher plans to defer development of the second and third tranches it had originally planned for May and November 2004 until a later date.

Connacher reports that unaudited fourth quarter 2004 production averaged 1,228 boe/d and that it is currently producing between 1,350 and 1,400 boe/d, a record level for the company, but below the company's expectations. This is primarily due to the current production levels at Cabri and lower than expected volumes being produced from the company's late 2003 Battrum infill drilling program.

Since year-end 2003, Connacher has drilled 13 wells, including six at Tompkins, one at Claydon and six at Cabri, all in Saskatchewan. All wells have been cased as indicated discoveries, including one new oil discovery which could be significant. Results of this well are being kept confidential for competitive reasons. The new Cabri wells include three infill locations offsetting wells which are good current producers, in addition to three new wells on the company's River Block. This is likely to be an area of future development once the current

production challenges at Cabri North are resolved. Preliminary results of these wells are encouraging.

Connacher has also completed an 11-well corehole program at its Great Divide oil sands project in northeastern Alberta. These wells were drilled to assist in evaluating one of a number of McMurray sand channels identified on Connacher's extensive acreage in the area. The objective of this drilling was to establish an estimate of the resource base associated with this channel so future development plans and financing options could be formulated. Results are encouraging and are being assessed.

Connacher is revisiting its 2004 Financial Plan and a reduction in its anticipated growth and planned capital program is a likely outcome of this review due to the lower than anticipated current production levels. Regardless of this revision, Connacher still expects to show significant growth in 2004. Connacher anticipates that the revisions to the company's plans will be announced in conjunction with the annual and special shareholders' meeting and release of first quarter 2004 results on May 11, 2004.

Connacher is a Calgary-based oil and gas exploration company. Its principal oil and natural gas properties are located in southwest Saskatchewan at Battrum, Cabri and Claydon. Assets are also held at Islay and Divide, Alberta and in the Neuquen Basin, Argentina.

For further information please contact:

R.A. Gusella

President and Chief Executive Officer

Connacher Oil and Gas Limited

Calgary, Alberta

Phone: (403) 538-6201

Fax: (403) 538-6225

Website: www.connacheroil.com

Email: inquiries@connacheroil.com