



FOR IMMEDIATE RELEASE

April 27, 2004

CONNACHER UPDATES RESERVES AND ACTIVITIES

Calgary, Alberta – Connacher Oil and Gas Limited (CLL – TSX) has adopted a policy of obtaining an independent evaluation of its oil and gas reserves on a quarterly basis. In accordance with this policy the company has received an updated reserve report with an effective date of March 31, 2004. The report was prepared for the company by DeGolyer and MacNaughton Canada Ltd. (D&M), formerly Outtrim Szabo Associates Ltd., which prepared the company's year-end report. The company's proved and probable reserves at March 31, 2004 were 5.8 mmboe, a three percent increase over year-end levels, after first quarter 2004 production. These reserves were forecast to generate future net revenue of \$73.3 million, with a present worth discounted at 10 percent of \$48.4 million. The increase in present worth of approximately 15 percent over year-end values is due to higher D&M price forecasts as of April 1, 2004 and the increase in reserve volumes.

Of considerable additional significance in the D&M report is the recognition of possible reserves in one of several prospective bitumen bearing McMurray channels in Connacher's Great Divide SAGD oil sands project. In early 2004 Connacher acquired an 84 section (53,760 acres) land position in this area, which is located approximately 80 kilometers southwest of Fort McMurray, Alberta. During the first quarter a channel underlying approximately two sections (1,280 acres) was delineated with 11 core holes. The D&M report assigns 52.7 million barrels of recoverable bitumen to this channel. Production of these reserves is forecast to generate \$581 million of future net revenue, with a present worth discounted at 10 percent of \$161 million after a capital investment of \$230 million over a 25 year project life. Connacher intends to seek out a joint-venture partner to assist in a commercial SAGD development of these reserves because of the large capital outlays required for a project of this kind prior to production startup. Total capital outlays thus far, including acquisition costs for the project, have been about \$3 million.

Remedial work has commenced at the company's Cabri North property following the lifting of road bans. To optimize production from the existing wells, a series of initiatives are underway to handle production of water and mud, minimize downtime and increase flow velocity. Additionally, eight new wells are in the process of being connected to the pipeline gathering system.

Like other shallow gas plays under development in Alberta and Saskatchewan, the tight Milk River reservoirs at Cabri are sensitive to completion and startup techniques. Tests are ongoing to determine if startup procedures and first quarter challenges associated with weather, surface facility and mechanical problems resulted in damage to the reservoir. The ability to calibrate initial test data to sustainable and predictable production rates is the goal. This knowledge is necessary for Connacher to further evaluate the potential of its inventory of infill-drilling and exploitation locations in the Cabri area.

Proposed capital initiatives for the rest of the year include follow-up infill drilling on the Cabri North block and exploitation drilling on the Cabri River block for Milk River gas, subject to success on the remedial program. Follow-up development drilling on the Tompkins block is planned, as is exploitation drilling at Battrum East and exploration drilling at Claydon, all in southwest Saskatchewan.

To facilitate these planned expenditures, reduce debt and focus on its core areas, the company plans to sell its conventional heavy oil properties in Alberta at Islay and at Lloydminster and reorganize its holdings in Argentina. In addition, as part of obtaining a joint venture partner, the company anticipates

monetizing a portion of its interest in the Great Divide project. It is also contemplated that additional equity will be raised during the year.

Connacher's financial and operating results for the three-month period ended March 31, 2004 will be released to the public after market close on May 11, 2004. This is also the date of the company's annual and special meeting of shareholders.

Connacher is a Calgary based oil and gas exploration and production company. Its principal assets are located at Battrum, Cabri and Tompkins in southwest Saskatchewan. Producing assets are also held at Islay and Lloydminster in Alberta, and in Argentina. The company also owns 100 percent of over 50,000 acres of oilsands rights southwest of Fort McMurray at its Great Divide project.

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