



PRESS RELEASE

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FOR IMMEDIATE RELEASE

May 27, 2009

CONNACHER ANNOUNCES PRICING OF EQUITY OFFERING

Calgary, Alberta - Connacher Oil and Gas Limited (the "Corporation" or "Connacher" - CLL - TSX) is pleased to announce that it has priced its previously announced public offering (the "Offering") of common shares (the "Common Shares"). Pursuant to the Offering, the Corporation will issue 166,750,000 Common Shares at a price of \$0.90 per Common Share. The Offering will be conducted through a syndicate of underwriters with RBC Capital Markets as sole bookrunner and co-lead manager, together with Credit Suisse Securities (Canada), Inc. and TD Securities Inc. as the other co-lead managers and Scotia Capital Inc., GMP Securities L.P., HSBC Securities (Canada) Inc., Macquarie Capital Markets Canada Ltd. and Raymond James Ltd. (the "Underwriters"). Pursuant to the terms of the Offering, the Corporation has agreed to grant the Underwriters an over-allotment option to purchase up to an additional 25,012,500 Common Shares, equal to up to 15% of the Common Shares sold pursuant to the Offering, exercisable at any time, in whole or in part, up to 30 days from the closing of the Offering. If the over-allotment option is exercised in full, a total of 191,762,500 Common Shares will be sold under the Offering for total gross proceeds of the Offering of approximately \$172,586,250. Upon closing of the Offering, and not including Common Shares issuable pursuant to the over-allotment option, the Corporation will have 378,450,942 Common Shares (418,892,957 Common Shares on a fully diluted basis) issued and outstanding.

The net proceeds of the Offering will be added to working capital to fund the Corporation's capital expenditures and for general corporate purposes, which may include a portion of the capital costs associated with the construction of the Corporation's second 10,000 bbl/d steam assisted gravity drainage ("SAGD") oil sands project ("Algar"), once a decision to reinstate construction at Algar and drill 15 SAGD well pairs is made. While such a decision has not yet been made, the Corporation, in accordance with its strategy to pre-fund capital projects, will add to its liquidity through the net proceeds of the Offering to position itself to reinstate construction at Algar in a timely manner.

The Common Shares will be sold publicly in all provinces of Canada (other than Québec) and on a private placement basis in the United States pursuant to exemptions from the registration requirements of the U.S. Securities Act of 1933, as amended, (the "1933 Act") and such other jurisdictions as may be agreed to by the Corporation and the Underwriters. The Offering is scheduled to close on or about June 5, 2009 and is subject to certain customary conditions and regulatory approvals, including the approval of the Toronto Stock Exchange.

In conjunction with the Offering, the Corporation is advancing negotiations with a Canadian chartered bank on behalf of a syndicate of proposed lenders, whereby the Corporation would approach the syndicated bank loan market to secure a revolving working capital facility and a construction loan for Algar (the "Facilities"). The Facilities, if made available and subject to the meeting of any funding conditions, would provide increased liquidity and financial flexibility to assist the Corporation in pursuing the construction of Algar, should a decision be made to reinstate its construction while also providing additional liquidity and financial flexibility for the Corporation's normal course business activities. The capital anticipated to be available pursuant to the Facilities, together with the anticipated proceeds of the Offering, available cash and anticipated cash flow from operations before changes in working capital, should be sufficient to fund the remaining estimated \$200 million of construction costs for Algar, assuming improved commodity prices and stable economic conditions.

This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States or any other jurisdiction outside of Canada, nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The Common Shares offered have not been, and will not be, registered under the 1933 Act, or any state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act and applicable state securities laws.

Connacher is a Calgary-based bitumen, crude oil and natural gas company. It is primarily an oil sands company, with operations at its 10,000 bbl/d Great Divide Pod One SAGD plant in northeastern Alberta and with plans to construct a second similar sized SAGD project in Great Divide at Algar. It owns conventional Canadian production and reserves, a 9,500 bbl/d heavy oil refinery in Great Falls, Montana and a 24 percent equity stake in Petrolifera Petroleum Limited (PDP-TSX), a successful production and exploration company active in Argentina, Colombia and Peru in South America. Connacher's Common Shares and convertible debentures are listed for trading on the Toronto Stock Exchange.

Forward-Looking Statements: This news release contains certain "forward-looking information" within the meaning of applicable securities law including statements regarding the proposed use of proceeds of the Offering, the proposed credit facilities and Connacher's ability to fund the remaining costs of construction of Algar once a decision to reinstate construction has been made. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "may", "will", "would", "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 information is provided, and is 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 information. These factors include the inherent risks involved in the exploration and development of oil sands properties, difficulties or delays in start-up operations, the possibility of unanticipated costs and expenses, uncertainties relating to whether Connacher will be able to secure the proposed credit facilities and other factors including unforeseen delays. 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, 2008. 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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