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PRESS RELEASE

October 22, 2009

CONNACHER ANNOUNCES CLOSING OF EQUITY OFFERING

CALGARY - Connacher Oil and Gas Limited ("Connacher" or the "Company"- CLL - TSX) announces that it has closed its previously announced equity financing (the "Offering") of 23,172,500 flow-through common shares ("Flow-Through Shares") at a price of \$1.30 per Flow-Through Share (the "Offering Price") for gross proceeds of \$30,124,250, which amount includes the proceeds from the exercise in full by the underwriters of an over-allotment option to purchase an additional 3,022,500 Flow-Through Shares at the Offering Price. The Offering was underwritten by a syndicate led by RBC Capital Markets and including TD Securities Inc., GMP Securities L.P., Raymond James Ltd., D&D Securities Company and Macquarie Capital Markets Canada Ltd., with PowerOne Capital Markets Limited, among others, acting as a selling group member.

Connacher will use the proceeds from the sale of the Flow-Through Shares to pay exploration expenses on the Corporation's properties which qualify as Canadian Exploration Expenses (as such term is defined in the Income Tax Act (Canada)). It is anticipated that the proceeds will primarily be used to further delineate and define Connacher's oil sands properties through the drilling of additional core holes and for conducting a three-dimensional (3-D) seismic program over Connacher's oil sands properties.

Connacher Oil and Gas Limited is a Calgary-based integrated oil company. Its primary upstream production is from oil sands operations at its 10,000 bbl/d Great Divide Pod One SAGD plant in northeastern Alberta. In July 2009, the Company reactivated its construction activities at Algar, its second fully funded, similar-sized SAGD oil sands project at Great Divide. This construction program is proceeding favorably and pictures of this progress are updated weekly and can be seen on Connacher's website at www.connacheroil.com. The Company has conventional crude oil and natural gas production of approximately 3,000 boe/d in Alberta and Saskatchewan, a downstream operation with a 9,500 bbl/d heavy oil refinery in Great Falls, Montana and maintains a 22 percent equity stake in Petrolifera Petroleum Limited (PDP-TSX), a production and exploration 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 applicable securities law including statements regarding the proposed use of proceeds of the Offering. 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, the possibility that Connacher may not be able to obtain the necessary approvals to proceed with the offering, 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 ability to access sufficient capital from external sources. 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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