



PRESS RELEASE

November 24, 2009

CONNACHER ANNOUNCES ARRANGEMENT OF REVOLVING CREDIT FACILITY

Calgary, Alberta – Connacher Oil and Gas Limited (CLL - TSX) announces that it has closed its previously announced US\$50 million revolving credit facility (“facility”). The two year facility will be available for general corporate purposes and is being provided by a syndicate of Canadian and international banks. In conjunction with the closing of this new facility, Connacher cancelled an outstanding cash-collateralized letter of credit facility. Related cash in the amount of \$10 million will accordingly be moved from a previously-restricted category on the company’s balance sheet and will also be available for general corporate purposes.

The new US\$50 million credit facility will provide Connacher with additional liquidity and financial flexibility. It will facilitate the issuance of letters of credit and the conduct of hedging activities. The facility is secured by a first priority security interest in all of the present and after- acquired assets of Connacher, except Connacher’s holdings of Petrolifera Petroleum Limited shares and the assets of Great Divide Pipeline Corporation, which is presently an inactive subsidiary. The facility ranks senior to Connacher’s outstanding long term indebtedness, as was contemplated when Connacher issued its first lien secured notes earlier in 2009. The facility also has certain financial covenants, as is customary for this type of credit. The financial covenants, which must be met on a fiscal quarterly basis, are:

- 1) The ratio of the sum of cash, the undrawn amount of the new credit facility and EBITDA to cash interest payable on the debt of the company, excluding the company’s outstanding convertible debentures, shall not be less than 1.5:1 calculated on a rolling four fiscal quarterly basis;
- 2) Excluding the company’s outstanding convertible debentures from consolidated total debt, consolidated total debt to total capitalization shall not be greater than 70 percent, dropping to 65 percent when production from Algar exceeds 8,000 bbl/d for a period of 30 consecutive days; and
- 3) Debt outstanding under the new credit facility to EBITDA shall not be greater than 2.0:1.

In the opinion of Connacher, the provision of this facility in the current economic and credit environment underscores the confidence held by both the lending institutions and by Connacher in the company’s current activity and future prospects.

Connacher anticipates limited current use of the facility for other than letters of credit as it has surplus cash and available adjusted funds from operations to meet its anticipated capital expenditures and financial requirements for the balance of 2009 and as forecast for 2010. Nevertheless, access to the additional liquidity and financial flexibility further strengthens the company’s overall financial condition and completes the process of repositioning the company to not only complete Algar but also to contemplate further growth beyond the 2010 period, in its overall pursuit of realizing 50,000 bbl/d of bitumen production by 2015.

Forward Looking Information

This press release contains forward-looking information including but not limited to expectations relating to the perceived benefits of securing the new US\$ 50 million credit facility and the anticipated use thereof, the availability of surplus cash and available adjusted funds from operations to meet the Corporation's anticipated capital expenditures and financial requirements for the balance of 2009 and as forecast for 2010 and Great Divide production goals for 2015. Forward-looking information is based on management's expectations regarding future growth, results of operations, future capital and other expenditures (including the amount, nature and sources of funding thereof), plans for and results of drilling activity, environmental matters, business prospects and opportunities, future economic conditions and future revenue (including production levels, refinery throughput, commodity prices, differentials, quality of bitumen produced, foreign exchange rates and transportation costs), operating and other costs, royalties and general and administrative costs. Forward-looking information involves significant known and unknown risks and uncertainties, which could cause actual results to differ materially from those anticipated. These risks include, but are not limited to: the risks associated with the oil and gas industry (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve and resource estimates, the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), the risk of commodity price and foreign exchange rate fluctuations, risks associated with the impact of general economic conditions, risks and uncertainties associated with securing and maintaining the necessary regulatory approvals and financing to proceed with the operation and continued expansion of the Great Divide Oil Sands Project. In addition, the recent financial crisis has resulted in severe economic uncertainty and resulting illiquidity and volatility in credit and capital markets, which increases the risk that actual results will vary from forward-looking expectations in this press release and these variations may be material. Additional risks and uncertainties affecting Connacher and its business and affairs are described in further detail in Connacher's Annual Information Form for the year ended December 31, 2008, which is available at www.sedar.com. Although Connacher believes that the expectations in such forward-looking information are reasonable, there can be no assurance that such expectations shall prove to be correct. The forward-looking information included in this report are expressly qualified in their entirety by this cautionary statement. Connacher assumes no obligation to update or revise any forward-looking information to reflect new events or circumstances, except as required by law.

Connacher Oil and Gas Limited is a Calgary based producer of crude oil, natural gas and bitumen at its 10,000 bbl/d Pod One steam assisted gravity drainage ("SAGD") oil sands project at Great Divide in Alberta, Canada. The company is currently constructing its second 10,000 bbl/d SAGD oil sands project ("Algar") at Great Divide and also owns and operates a 9,500 bbl/d heavy oil refinery at Great Falls, Montana. The company owns a 22 percent equity stake in Petrolifera Petroleum Limited, a public crude oil and natural gas company listed on the Toronto Stock Exchange under the symbol PDP and active in Argentina, Colombia and Peru in South America.

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