



PRESS RELEASE

December 14, 2009

CONNACHER OIL AND GAS LIMITED PROVIDES OPERATIONAL UPDATE FOR GREAT DIVIDE POD ONE

CALGARY - Connacher Oil and Gas Limited (CLL - TSX) today provided a production update for its Great Divide steam-assisted gravity drainage ("SAGD") Pod One oil sands project in northeastern Alberta.

Since the beginning of December 2009 through December 12, 2009, Pod One production of bitumen, as metered but before minor sales shrinkage, has averaged 8,450 bbl/d. This average included one day's production at 5,002 bbl/d, which was at this level due to intermittent power outages. Excluding this day's production, the average month to date would have been 8,763 bbl/d (before minor sales shrinkage) with a peak rate measured at 9,058 bbl/d. Bitumen production exceeded 9,000 bbl/d for four days of the reported period.

Connacher is pleased with these results and while daily production will be variable, the company is hopeful these higher production levels, in closer proximity to the rated plant capacity, will be increasingly sustainable. Obviously, cold weather conditions and other factors can and will continue to impact on short-term daily production levels, but the company remains committed to its most likely forecast of an average of 9,000 bbl/d from Pod One for 2010.

Connacher Oil and Gas Limited is a Calgary-based crude oil, natural gas and bitumen exploration, development and production company. Its principal assets are its Great Divide Pod One and Algar SAGD oil sands projects in northeastern Alberta. Algar, Connacher's second 10,000 bbl/d oil sands project, is under construction and is targeted for completion in April 2010. Connacher also owns a 9,500 bbl/d heavy oil refinery in Great Falls, Montana and a 22% equity stake in Petrolifera Petroleum Limited, a crude oil and natural gas exploration and production company active in Argentina, Colombia and Peru, all in South America.

Forward Looking Information:

This news release contains certain "forward-looking information" within the meaning of applicable securities laws including anticipated bitumen production levels at the company's Great Divide Pod One facilities and targeted completion timing in respect of the construction of the company's Algar facilities. Design capacity or rated plant capacity is not necessarily indicative of the stabilized production levels that may be achieved at the company's SAGD facilities. Moreover, reported average or daily production levels may not be reflective of sustainable production rates and future production rates may differ materially from the production rates reflected herein due to, among other factors, difficulties or

interruptions encountered during the production of bitumen including cold weather conditions, power outages etc. Timing for completion of construction of the Algar facilities is based upon the company's current estimates based on the percentage completion to date and the company's expectations regarding access to labor and services and the expected timing required to complete the remaining construction activities. 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 risks include, but are not limited to 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 estimates; the uncertainty of estimates and projections in relation to production, costs and expenses and health, safety and environmental risks), the risk of commodity price and foreign exchange rate fluctuations, risks associated with obtaining, maintaining and the timing of receipt of regulatory approvals, permits and licenses and uncertainties relating to access to capital and credit markets. Additional risks and uncertainties are described in the Corporation's Annual Information Form for the year ended December 31, 2008 which is filed on SEDAR at www.sedar.com. The forward-looking information contained in this news release is made as of the date hereof and the company assumes no obligation to update or revise this information to reflect new events or circumstances, except as required by law. Because of the risks, uncertainties and assumptions inherent in forward-looking information, prospective investors in the company's securities should not place undue reliance on the forward- looking information contained herein.

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