

**ARCAN RESOURCES LTD. ANNOUNCES DECEMBER 31, 2006 RESERVES,
FINANCIAL AND OPERATING INFORMATION**

CALGARY, Alberta, Canada, April 13, 2007 – Arcan Resources Ltd. (TSXV – "ARN") ("Arcan" or the "Corporation"), is pleased to announce December 31, 2006 reserves, financial and operating information.

2006 HIGHLIGHTS

- ☆ 931 percent production growth;
- ☆ 17.9 year reserve life;
- ☆ Proved plus probable reserves grew 78% from 2.9 Mboe to 5.1 Mboe;
- ☆ Proved plus probable finding, development and acquisition (FD&A) costs of \$15.92 per boe;
- ☆ Operating netbacks of \$36.76 per boe based on revenue of \$56.85 per boe and operating costs of \$7.82 per boe; and
- ☆ Recycle ratio of 2.3 times (operating netback divided by FD&A costs).

	Three Months Ended December 31, 2006	Six Months Ended December 31, 2006	Year Ended June 30, 2006
Financial (\$000's, except per share amounts)			
Oil and natural gas revenues	4,042	6,304	6,699
Cash provided by operating activities	1,186	2,348	2,882
Funds flow from operations ⁽¹⁾	1,629	2,689	3,336
Per share – basic ⁽¹⁾	0.06	0.11	0.23
Net loss	(131)	(318)	(1,528)
Per share – basic	(0.01)	(0.01)	(0.11)
Total assets	82,019	82,019	57,854
Bank debt	11,502	11,502	-
Shareholders' equity	48,130	48,130	43,052
Capital expenditures	10,369	33,776	34,149
Common shares outstanding	26,534	26,534	24,542
Operating			
Production:			
Natural gas (mcf/day)	1,466	1,377	1,209
Crude oil and NGL's (bbls/day)	531	373	127
Total oil equivalent (boe/day) ⁽¹⁾	775	603	329
Average realized price:			
Natural gas (\$ per mcf)	7.46	6.99	8.02
Crude oil and NGL's (\$ per bbl)	63.02	66.00	68.09
Combined average (\$ per boe) ⁽¹⁾	57.27	56.85	55.83
Royalties	13.86	12.96	14.61
Operating expenses	7.82	7.13	5.76
Netbacks	35.59	36.76	35.46

Notes:

- (1) Funds flow from operations is not a recognized measure under Canadian generally accepted accounting principles (GAAP) - "Non-GAAP Measurements".
- (2) See "Oil, Natural Gas Liquids and Natural Gas Conversions to BOE's".

CORPORATE SUMMARY

Arcan has a balanced portfolio of assets producing light oil and natural gas. Arcan maintains a large inventory of exploitation, development and exploratory drilling prospects located in the W5 and W6 areas of Alberta. All prospects are internally generated. Arcan holds high working interests and operates the majority of its production. Arcan is focused on adding per share value through reserve and production growth.

In 2006 Arcan grew production by more than 931 percent to average 552 boe per day for the twelve months ended December 31 compared to 56 boe per day in the twelve months ended December 31, 2005. During the quarter ended December 31, 2006 Arcan produced an average of 775 boe per day, an increase of 302 percent from the quarter ended December 31, 2005. Arcan is targeting 1,750 boe per day as an average production rate for 2007 which is 217 percent above the 2006 average and 119 percent above the 2006 exit rate of 800 boe per day.

Despite the competitive and turbulent environment in the oil and gas industry in 2006, Arcan saw advancements on all fronts. Arcan completed a reverse take-over which resulted in its stock becoming publicly traded, filled company positions at all levels including directors, officers and staff, and secured office space. Arcan added value to shareholders by posting a 78 percent growth in proved and probable reserves and grew its production base to allow it to target average production of 1750 boe per day in 2007 with a balance between light oil and gas. Moreover, Arcan built a strong asset base which it expects will provide a platform for growth in 2007 and beyond. Arcan expects that its drilling successes in 2007 will result in additional reserve additions which will further enhance its value.

Based on the quarter ended December 31, 2006 average production of 775 boe per day and proved plus probable reserves of 5.1 million boe, Arcan's reserve-life-index was 17.9 years at December 31, 2006.

Arcan's proved plus probable finding, development and acquisition (FD&A) costs were \$15.92 per boe based on \$33.8 million in capital, \$1.6 million in change in future development capital and 2.2 Mboe in reserve adds. On a proved basis only, FD&A costs were \$21.86 per boe based on \$33.8 million in capital, \$0.8 million in change in future development capital and 1.6 Mboe in reserve adds.

All of Arcan's oil production is pipeline connected and is 40 API or higher. This lead to operating costs of \$7.13 per boe in the six-month period ended December 31, 2006. Arcan's operations for the six-month period ended December 31, 2006 resulted in an average operating netback (defined as revenue per boe, less royalties per boe and operating costs per boe) of \$36.76 per boe. For the six month ended December 31, 2006 Arcan's recycle ratio (defined as the average operating netback divided by FD&A costs) including future development capital was 2.3 times.

At special shareholder meetings held on December 29, 2006, shareholders of each of Arcan and Desco Energy Ltd. ("Desco") approved the amalgamation of the two corporations. The amalgamation was completed on January 1, 2007.

PROPERTY OVERVIEWS

Arcan has a balanced portfolio of assets producing light oil and natural gas. The Hamburg area is generally considered higher risk but this is offset by medium risk opportunities in the McLeod area and low risk exploitation type opportunities in the Deer Mountain area.

Hamburg

The Hamburg "GG" Slave Point oil pool was discovered by Arcan in February of 2006 at a depth of approximately 2,400 metres. Arcan owns 50% in the first four wells and 100% in the fifth well drilled into the reef complex. Arcan has previously disclosed the results of these wells which tested from individual wells at rates from 500 to 1,850 boe per day of greater than 40 API sweet oil and natural gas. The wells are pipeline connected to a partner owned battery. Arcan believes that these Slave Point Oil wells have resulted in a significant oil discovery. Three of the five wells were completed in 2007 which is expected to result in 2007 reserve additions. Arcan plans to drill an additional four to six (3 to 4 net) development wells into this reef complex this coming winter. Hamburg is generally only accessible in the winter.

The existing wells are currently subject to maximum rate limits ("MRL's) imposed by the Alberta Energy and Utilities Board ("EUB"). Arcan applied and received approval for an enhanced recovery scheme from the EUB which is expected to significantly raise these production limitations. Approvals are conditional on water injection. Timing of water injection is still under review however Arcan has sourced injection equipment, drilled a water source well and has received approval to build an all weather road into the area which will allow access during the summer months.

The future - Arcan plans to continue to explore for new Slave Point reefs in the Hamburg area. Management has over 16 years of experience drilling Slave Point targets in this area with a 65% historical success ratio which far exceeds the industry average. Arcan plans to drill 2 to 6 new Slave Point gas prospects this coming winter. This will complement the development drilling in the GG Pool. Arcan is also reviewing possible development of Bluesky gas discovered in the area.

McLeod

Arcan's drilling at McLeod targets gas in Mannville and Jurassic aged strata at depths of 1,800-2,300 meters. Arcan has drilled six (4.2 net) Gething gas wells with 100% success at McLeod. Four (3.0 net) of these wells are on production. These wells are producing in excess of 900 boe per day net to Arcan. Production is restricted by third party pipeline constraints which Arcan is attempting to rectify. Reserve additions for recently drilled wells are expected in 2007.

The future – At McLeod, Arcan has a large inventory of medium risk Mannville and Jurassic drilling prospects that have been developed by its two geologists who have worked the McLeod area for over 15 years each with major companies, drilling in excess of 300 wells combined. Arcan's exploration experience in this area facilitates farm-ins and is expected to contribute to a high success ratio. Arcan competes by farming in or acquiring only lands where Arcan has developed drill ready prospects. This approach allows Arcan to run full economics and include risks for tie-in and land expiries. Arcan is also pursuing deeper, higher impact targets in the area. Arcan plans on drilling at least one of these deeper targets in the fourth quarter of 2007.

Deer Mountain

In September 2005, Arcan purchased a net 10.4% interest in the Swan Hills Deer Mountain Unit #2 (the “**Deer Mountain Unit**”). On June 30, 2006 Arcan exercised its option to purchase an additional 65.4% interest in the Deer Mountain Unit, which closed on August 25, 2006. The Deer Mountain Unit is part of the Swan Hills Reef Complex which is considered as one of the largest conventional oil fields in the world. The majority of the complex is under secondary and tertiary recovery schemes. The Deer Mountain Unit is considered one of the most undeveloped pools in this Swan Hills Complex. To date, Arcan has fracture stimulated some existing oil wells, reworked existing water injection wells, drilled new oil wells and one new water injection well, tied-in liquids rich solution gas that was previously flared and shot a new 3D seismic program covering approximately 18 square kilometres. As well, Arcan has constructed a new oil battery capable of 4,000 barrels of fluid per day and a new water handling facility.

The Deer Mountain Unit produces oil from the Beaverhill Lake A & B Formations. Initial production from the Deer Mountain Unit commenced in 1964 and unitization occurred in late 1984. Recovery from the Deer Mountain Unit is low compared to offsetting pools in the field because of a historic lack of drilling and water injection. In Arcan's current reserve report effective December 31, 2006, the Corporation's independent reserve engineers, GLJ Petroleum Consultants ("GLJ") estimates that the oil recovered from the unit to date is approximately 8.6% and total recovery is currently estimated to reach 20%. Arcan believes ultimate recovery will increase significantly as development drilling and water injection proceeds. Adjoining units in the field have actual and expected recoveries estimated to be 35- 40% with some operators expecting further increases in the future from potential CO₂ injection schemes.

To help plan operations, Arcan has shot 3-D seismic constructed a geological model using Petrel software and is running a waterflood simulation using Eclipse software.

The future – Arcan considers Deer Mountain to be a "legacy asset" which is expected to produce for another 20 years or more. Arcan is currently completing a well drilled in the first quarter of 2007 and additional drilling is expected to commence late in the third quarter of 2007. The construction of the new battery and the water handling facilities will allow Arcan to implement a field wide water flood and continue drilling patterns of producing wells and water injection wells. Based on current spacing, Arcan expects to have several years of development drilling to increase rates and recoveries from the unit. Additional upside is expected through pumping optimization and re-working of existing well bores. Arcan is also examining the potential for exploration drilling in the Deer Mountain area.

RESERVES SUMMARY AT DECEMBER 31, 2006

All of Arcan's and Desco's reserves as at December 31, 2006 were independently evaluated by GLJ, independent reservoir engineers, according to the requirements of National Instrument 51-101. ("NI 51-101") The following summary presentation and discussion conforms in all material respects to the results of GLJ's evaluations.

ARCAN SUMMARY OF NET PRESENT VALUE OF FUTURE NET REVENUE AS OF DECEMBER 31, 2006 (Forecast Prices & Costs)

Net Present Value (NPV) of Future Net Revenue (FNR) - Before Income Taxes - Discounted

RESERVES CATEGORY (MM\$)	0%	5%	10%
PROVED			
Developed Producing	60.5	44.4	35.5
Developed Non-Producing	13.4	10.7	8.8
Undeveloped	28.1	14.8	8.6
Total Proved	102.1	69.9	52.9
PROBABLE	57.3	31.2	20.1
TOTAL PROVED + PROBABLE	159.4	101.1	73.0

ARCAN SUMMARY OF RESERVES AS OF DECEMBER 31, 2006 (Forecast Prices & Costs)

RESERVES CATEGORY	Light & Medium Oil	Natural Gas	Natural Gas Liquids	TOTAL
	(Mbbls)	(MMcf)	(Mbbls)	(Mboe)
PROVED				
Developed Producing	1,405	2,413	209	2,017
Developed Non-Producing	228	973	43	433
Undeveloped	905	115	43	967
Total Proved	2,538	3,501	295	3,416
PROBABLE	1,115	2,304	158	1,657
TOTAL PROVED + PROBABLE	3,653	5,804	453	5,074

Reserves are Company's working interest share of remaining reserves before the deduction of royalties.

DESCO SUMMARY OF NET PRESENT VALUE OF FUTURE NET REVENUE AS OF DECEMBER 31, 2006 (Forecast Prices & Costs)

Net Present Value (NPV) of Future Net Revenue (FNR) - Before Income Taxes - Discounted

RESERVES CATEGORY (MM\$)	0%	5%	10%
PROVED			
Developed Producing	3.8	3.1	2.6
Developed Non-Producing	0.9	0.8	0.7
Undeveloped	0.9	0.8	0.7
Total Proved	5.6	4.7	4.0
PROBABLE	4.2	2.8	2.0
TOTAL PROVED + PROBABLE	9.8	7.5	6.0

DESCO SUMMARY OF RESERVES AS OF DECEMBER 31, 2006 (Forecast Prices & Costs)

RESERVES CATEGORY	Light & Medium Oil	Natural Gas	Natural Gas Liquids	TOTAL
	(Mbbbls)	(MMcf)	(Mbbbls)	(Mboe)
PROVED				
Developed Producing	33.0	375.0	21.0	117.0
Developed Non-Producing	5.0	155.0	5.0	36.0
Undeveloped	60.0	-44.0	-4.0	48.0
Total Proved	98.0	486.0	22.0	201.0
PROBABLE	70.0	323.0	16.0	140.0
TOTAL PROVED + PROBABLE	168.0	809.0	38.0	341.0

Reserves are Company's working interest share of remaining reserves before the deduction of royalties.

NET ASSET VALUE AT DECEMBER 31, 2006

Arcan presents one method for calculating and estimating net asset value (NAV) below. This calculation is presented for December 31, 2006 and incorporates estimates that may not be comparable year-over-year and are only at one point in time. An independent evaluation was performed for reserves but not for the land and seismic values. The reader is cautioned that the presentation does not reflect all aspects of the Corporation.

(\$MM except per share)	ARCAN December 31, 2006 (5% BT)	ARCAN December 31, 2006 (10% BT)	ARCAN and DESCO December 31, 2006 (5% BT)	ARCAN and DESCO December 31, 2006 (10% BT)
Present value of reserves (Proved + Probable)	100.5	73.0	108.6	79.0
Land and Seismic	4.5	4.5	6.5	6.5
Working capital	(15.7)	(15.7)	(15.3)	(15.3)
Dilution proceeds *	8.5	8.5	8.5	8.5
Estimated value	97.7	70.2	108.2	78.6
Diluted Shares *	31.8	31.8	34.3	34.3
Estimated NAV / share *	\$ 3.07	\$ 2.20	\$ 3.16	\$ 2.29

* Includes the exercise of all in the money stock options and dilutive securities. Excludes Desco performance warrants as they are reserves based and would add to NAV as well.

CAPITAL EXPENDITURES

	June to December 2006	January to December 2006	Life-To-Date December 31, 2006
Land	1,821,465	3,320,079	5,239,696
Seismic	40,680	490,491	735,767
Drill, Complete and Equip. Facilities	12,859,547	26,947,530	36,893,231
Corporate Assets	8,240,567	13,414,011	15,210,213
Acquisitions	409,175	1,480,743	1,587,841
TOTAL	10,404,774	10,316,774	12,188,943
	33,776,208	55,969,629	71,855,691

Arcan's financial results for the quarter ended September 30, 2006 and the six-month period ended December 31, 2006 as well as Desco's results for the year ended December 31, 2006 can be found under Arcan's SEDAR profile at www.sedar.com. Information regarding both companies' oil and gas reserves, as required by NI 51-101 will be included in Arcan's annual information form which will be filed by Arcan on www.sedar.com on or prior to April 30th, 2007. Arcan will issue another press release when the annual information form is filed.

Arcan Resources Ltd. is an Alberta, Canada corporation that is principally engaged in the exploration, development and acquisition of petroleum and natural gas located in Canada's Western Sedimentary Basin.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

BOE Presentation – Production information is commonly reported in units of barrel of oil equivalent ("boe"). For purposes of computing such units, natural gas is converted to equivalent barrels of oil using a conversion factor of six thousand cubic feet to one barrel of oil. BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet of natural gas to one barrel of oil (i.e., 6 Mcf: 1 bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Readers should be aware that historical results are not necessarily indicative of future performance.

Special Note Regarding Non-GAAP Measures – This press release contains financial terms that are not considered measures under Canadian generally accepted accounting principles ("GAAP"), such as "net petroleum and natural gas revenue" and "funds from (used in) operations". These measures are commonly utilized in the oil and gas industry and are considered informative for management and shareholders. Specifically, "net petroleum and natural gas revenue" represents petroleum and natural gas sales less royalties, production expenses and transportation costs and "funds from (used in) operations" represents net loss for the period adjusted for non-cash items in the statement of operations. These terms should not be considered an alternative to, or more meaningful than cash flow from operating activities as determined under GAAP as an indicator of the Corporation's performance. Management considers these terms important as they help evaluate performance and demonstrate the Corporation's ability to generate sufficient cash to fund future growth opportunities.

Advisory Regarding Forward-Looking Statements

Certain information with respect to the Corporation contained herein, including its assessment of future plans and operations contain forward-looking statements. In some cases, forward-looking statements and information can be identified by terminology such as "may", "will", "should", "expects", "projects", "plans", "proposed", "anticipates", "targets", "believes", "estimates", "continue", "designed", "objective", "potential" and similar expressions. In particular, this document contains forward-looking statements and information with respect to: estimated volumes and timing of future production; business plans for drilling, exploration and development; estimated dates for seismic and other programs; and other expectations, beliefs, plans, goals, objectives, assumptions, information and statements about possible future events, conditions, results of operations and performance. These forward-looking statements are based on assumptions and are subject to numerous risks and uncertainties, certain of which are beyond the Corporation's control, including: the impact of general economic conditions, industry conditions, volatility of commodity prices, currency exchange rate fluctuations, imprecision of reserve estimates, uncertainty regarding drilling results, environmental risks, competition from other explorers, stock market volatility and ability to access sufficient capital. As a result, the Corporation's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any events anticipated by the forward-looking statements will transpire or occur. In addition, the reader is cautioned that historical results are not necessarily indicative of future performance.

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