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**ARCAN RESOURCES LTD.
NEWS RELEASE**

ARCAN ANNOUNCES CLOSING OF CDN\$15.2 MILLION PRIVATE PLACEMENT

CALGARY, Alberta – May 8, 2007 – Arcan Resources Ltd. ("**Arcan**") (TSXV: ARN) reports that the private placement announced on April 17, 2007 has closed. An aggregate of 4,000,000 common shares of Arcan were sold at a price of \$3.80 per share for aggregate gross proceeds of \$15,200,000. The shares were sold on a bought deal, private placement basis by a syndicate of underwriters led by FirstEnergy Capital Corp. and including Cormark Securities Inc. Upon the closing of the offering, there are 33,489,376 common shares of Arcan issued and outstanding.

Arcan plans to use the net proceeds from the private placement to fund Arcan's ongoing capital expenditure program and for general corporate purposes.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any of the common shares in the United States. The common shares have not been and will not be registered under the United States Securities Act of 1933, as amended, or any state securities laws, and may not be offered or sold in the United States without registration under the United States Securities Act of 1933, as amended, and all applicable state securities laws, or an exemption therefrom.

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

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