

ARCAN RESOURCES LTD. ANNOUNCES THIRD QUARTER 2009 RESULTS, FLOW-THROUGH FINANCING AND UPDATES OPERATIONS

CALGARY, Alberta, Canada, November 23, 2009 – Arcan Resources Ltd. (TSXV – "ARN") ("Arcan" or the "Company") announces updated operations, a non-brokered private placement flow-through equity deal and the filing of its third quarter 2009 financial statements and management's discussion and analysis. These documents can be retrieved electronically from the SEDAR system under Arcan's profile at www.sedar.com.

THIRD QUARTER 2009 HIGHLIGHTS

- ☆ Funds from operations decreased to \$32,000 (nil per diluted share) in the third quarter of 2009 reflecting a minor well blow-out in Hamburg, a fire and a plant turn-around at the Hamburg battery, work-overs in Deer Mountain, shut in production in McLeod, higher NRF royalties and realized economic hedging losses;
- ☆ Average production decreased 12% to 1,274 boe per day for the three months ended September 30, 2009 down from the 1,444 boe per day for the three months ended September 30, 2008 and down 16% from the second quarter of 2009 due to the Hamburg fire and shut in production;
- ☆ Operating netbacks of \$17.67 per boe (revenue of \$55.85 per boe and operating cost of \$21.03 per boe) was down 69% from \$56.64 per boe in the third quarter of 2008 and was down 44% from \$31.31 per boe in the second quarter of 2009;
- ☆ During the third quarter of 2009, Arcan drilled two (0.55 net) wells. The first well was an (0.05 net) exploration well at Mahaska that was abandoned. The second well was in the Hamburg GG light oil pool and commenced production on November 1, 2009. Subsequent to the quarter Arcan drilled its next development well (0.50 net) in the GG pool. This well is currently being completed and the initial 25 hour test had rates averaging in excess of 1,000 (500 net) boe per day;
- ☆ Arcan is plans to drill its first horizontal multi-stage frac well in Deer Mountain Unit #2. Also, on November 14, 2009 the next earning well was spud on the Deer Mountain South lands;
- ☆ On October 29, 2009 Arcan issued 9,000,000 common shares at \$1.25 per common share for gross proceeds of \$11,250,000;
- ☆ Arcan signed a letter of intent with its drilling partner for up to three exploration prospects;
- ☆ On November 19, 2009 Arcan issued 1,191,000 options exercisable at \$1.30 per common share;
- ☆ On November 19, 2009 Mr. Bruce Chernoff resigned as a director of the Company; and
- ☆ On November 20, 2009 Arcan issued 1,071,500 common shares on a "flow through" basis at \$1.40 per common share.

Financial and Operating Summary

	Three Months Ended		Nine Months Ended	
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
Financials (\$000s except per share amounts)				
Oil and NGL sales	5,894	11,863	17,001	34,447
Natural gas sales	652	1,827	2,485	6,111
Total petroleum and natural gas revenue	6,546	13,690	19,486	40,558
Cash flow from operating activities (per GAAP)	1,235	7,150	4,699	19,379
Funds from operations ¹	32	6,747	4,678	22,567
Per share basic ¹	0.00	0.18	0.12	0.60
Per share diluted ¹	0.00	0.17	0.12	0.58
Net income (loss)	(1,408)	2,145	(4,013)	7,772
Per share basic	(0.04)	0.06	(0.11)	0.21
Per share diluted	(0.04)	0.05	(0.11)	0.20
Capital expenditures – cash	3,111	11,323	6,516	24,941
Total assets	146,130	143,006	146,130	143,006
Total liabilities	61,360	54,340	61,360	54,340
Shareholders' equity	84,770	88,666	84,770	88,666
Bank loan	41,360	22,919	41,360	22,919
Net debt and working capital	42,622	32,412	42,622	32,412
Operating, General and Administrative (G&A)				
Production:				
Crude oil (bbls per day)	913	1,087	1,027	1,137
Natural gas (mcf per day)	2,166	2,144	2,130	2,228
Total (boe per day) (6:1)	1,274	1,444	1,382	1,508
Average realized price:				
Crude oil (\$ per bbl)	70.18	118.63	60.63	110.57
Natural gas (\$ per mcf)	3.27	9.26	4.27	10.01
Combined average (incl. processing revenue) (\$ per boe)	55.85	103.03	51.64	98.14
Netback (\$ per boe)				
Petroleum and natural gas sales	55.85	103.03	51.64	98.14
Royalties	17.15	27.71	12.09	21.63
Operating and transportation expenses	21.03	18.68	14.34	14.08
Operating netback ²	17.67	56.64	25.21	62.43
Realized economic hedging losses – cash	4.11	-	1.86	-
G&A expenses – cash	9.07	5.06	7.65	5.91
Interest expense – net	4.21	0.78	3.07	1.69
Corporate netback ³	0.28	50.80	12.63	54.83
Common Shares (000s)				
Shares outstanding, end of period	37,869	37,869	37,869	37,869
Weighted average shares ⁴ - basic	37,829	37,829	37,829	37,448
- diluted	37,829	39,096	37,829	38,746

1 The reader is referred to the section – “Special Note Regarding Non-GAAP Measures” in this press release.

2 Operating netback is calculated as revenue less royalties and operating expenses.

3 Corporate netback is calculated as operating netback less realized economic hedging losses, G&A and interest expense.

4 In computing the net loss per diluted share in the respective periods, nil shares were added to the weighted average number of shares outstanding because in 2009 they were anti-dilutive.

Overview

The third quarter of 2009 continued to be turbulent for junior energy companies. Ongoing weakness in natural gas prices and looming bank reviews are increasing the likelihood of mergers and bankruptcies. Arcan's third quarter presented numerous operating challenges including: cost issues attributed to the treater fire in Hamburg that shut in production for three weeks, a plant turn-around at Hamburg, a blow-out of a well in the GG pool while it was shut in, strategic shut ins of production in the McLeod area and work-overs in the Deer Mountain area. Although still positive, Arcan's cash flow was negatively impacted by all of these operating challenges. To offset risks associated with unanticipated operational issues and to ensure that Arcan will have the opportunity to pursue operations that are expected to add value, Arcan issued 9,000,000 common shares at \$1.25 per share on October 29, 2009 for gross proceeds of \$11,250,000 pursuant to a bought deal prospectus offering with a syndicate of underwriters. After evaluating the balance sheet risk and the opportunities of Arcan, the board of directors and management determined that this financing provided Arcan with the financial flexibility to take advantage of its existing asset base as well as potential additional opportunities in the later part of 2009 and the first quarter of 2010. Arcan's growth strategy remains unchanged, focused at developing long life light oil properties supplemented through high reward exploration opportunities as well as potential accretive acquisitions, should they arise.

Arcan has signed a letter of intent with its drilling partner to drill up to three exploration prospects in the Hamburg area. It is intended that Arcan will pay a lower portion of the drilling costs and a higher portion of the tie-in costs and operate to keep a 50% interest in the plays. To fund its portion of these projects Arcan issued 1,071,500 common shares on a "flow-through" basis on November 20, 2009 at \$1.40 per common share for gross proceeds of \$1,500,100 pursuant to a non-brokered private placement offering that closed on November 20, 2009. Arcan has agreed to make expenditures qualifying as "Canadian exploration expenses" under the *Income Tax Act* (Canada) on or before December 31, 2010 in an amount equal to the aggregate subscription proceeds of the flow-through common shares effective on or before December 31, 2009. All of the flow-through common shares issued in connection with this offering are subject to a four month hold period under applicable securities laws and the policies of the TSX Venture Exchange. This offering is subject to final approval by the TSX Venture Exchange.

Arcan's light oil continues to provide positive netbacks with oil prices remaining strong and moving in an upward direction from US \$40 to over \$70 WTI. Equity markets remain concerned about natural gas weighted energy companies as they continue to face severe cash flow reductions under current pricing and will continue to face challenges based on ongoing surplus natural gas supplies. Arcan received \$70.18 per bbl of oil in Q3, 2009, down significantly from the \$118.63 per bbl in Q3, 2008 but up 10% from \$63.98 per bbl in the second quarter of this year.

In the third quarter of 2009 Arcan expended \$3.1 million in capital, net of \$0.5 million in drilling credit recoveries. These expenditures included drilling and abandoning one (0.05 net) well at Mahaska and drilling the first well in the development program in the Hamburg GG light oil pool. The new GG pool well was on-stream on November 1, 2009. Arcan has estimated it could drill one to two (0.5 to 1 net) wells by the end of 2009, as part of a program that may include up to five wells (2.5 net), as well as one water source well and the conversion of one well to an injector. Production from this pool is low decline, 41 API light sweet oil with an estimated 8-12 year reserve life index. Arcan has been injecting approximately 2,000 bbls of water per day in an effort to catch up to some of the historic voidage. Arcan spud one new well in the GG pool subsequent to the end of the quarter and that well is currently being

completed with the initial 25 hour test averaging rates in excess of 1,000 (500 net) boe per day and is estimated to be on-stream by the end of the year.

Production was 1,274 boe per day in the third quarter of 2009, down 249 boe per day from the second quarter of 2009. Production was down as a result of the fire and related shut ins at Hamburg as well as the economic shut ins at McLeod. Arcan chose to shut in these wells for the third quarter when pricing was close to \$3.00 per mcf AECO and Arcan turned these wells back on at the start of the fourth quarter at prices over \$4.00 per mcf AECO, to realize significantly higher prices and thus significantly enhance net cash flows. Deer Mountain production was flat, as anticipated, during the third quarter of 2009.

Production for the first three quarters of 2009 has averaged 1,382 boe per day and Arcan is estimating average production of 1,400 to 1,500 boe per day for 2009, well within its original 2009 guidance. Arcan's earlier investments provide the Company with a concentrated asset base with its two main assets being Hamburg and Deer Mountain both characterized as high working interest operated properties with long reserve lives and newly commenced waterfloods, capable of producing high netback light oil with a large inventory of additional development opportunities. Arcan also continues its exploration exposure through a letter of intent signed with its drilling partner which anticipates drilling up to 3 wells with significant reward potential. Paramount to Arcan and to its management team is adding value for the Company's shareholders. For the remainder of 2009, Arcan is implementing plans to reduce costs and turn drilling success and continued waterflood implementation into solid reserve bookings.

On November 19, 2009, Mr. Bruce Chernoff resigned from the Board of Directors of Arcan. Arcan's Board of Directors, management and staff would like to sincerely thank him for his contributions to the Company and wish him well in his future endeavours.

On November 19, 2009, Arcan granted options to certain directors, officers, employees and consultants to purchase an aggregate of 1,191,000 common shares of the Company, including 1,050,000 options granted to directors and officers of Arcan, each exercisable at a price of \$1.30 per share for a period of five years. All options granted to directors and officers vest on October 1, 2010 and options granted to employees and consultants vested on the date of issuance. The grant of such options is subject to the approval of the TSX Venture Exchange.

Outlook

Enhanced recovery schemes require up-front capital investments, with returns being generated over a period of years. Successful water injection operations at Hamburg and Deer Mountain were major milestones and are expected to generate increased recoveries over the longer term, this may significantly enhance reserves and net asset value. With significant investments in infrastructure in place, Arcan now looks to continue to take advantage of its deep development inventory which is expected to increase net asset value per share. Arcan's anticipated plans for 2009 and beyond include:

- Development drilling in the Hamburg GG pool in conjunction with Arcan's waterflood is aimed at increasing production and significantly extending the life and value of the asset. Arcan has had exploration successes over the past year and it is expanding its exploration base for the winter as Arcan may move into B.C. to take advantage of the more favourable royalty regime.
- At McLeod, Arcan has not focused on natural gas drilling since 2007 but continues to accumulate deeper, higher-impact targets for future drilling when natural gas prices improve.

- Expand Deer Mountain as Arcan tests the application of its first horizontal multi-stage well supported by its infrastructure investments in the new battery, full water handling facility, expanded water injection scheme and drilling of new injection/production patterns in the unit. Arcan spud one vertical farm-in well to the south of its Deer Mountain Unit #2 as part of its rolling option farm-in obligation. Successful application of the horizontal drilling in the unit and extensive drilling opportunities off the unit on Arcan's 60 sections of largely undeveloped lands along the reef, could provide significant net asset value appreciation to Arcan's shareholders.

Arcan's 2009 capital program is expected to remain within cash flow and debt capacities and will continue to focus on growth through exploration and development in its three core areas of Deer Mountain, McLeod and Hamburg. The Company's strengths include \$110 million of tax pools, a strong slate of directors, highly experienced technical staff, Arcan operated facilities with ample capacity for growth and recently implemented waterfloods. The Arcan team since inception has demonstrated the ability to successfully explore, develop and exploit its core properties and will continue to grow Arcan's asset base through the drill bit and targeted accretive acquisitions. Arcan's unwavering commitment to its growth strategy has created a solid platform for Arcan to experience continued strong sustainable growth throughout 2009 and into the future. Arcan is taking advantage of the current royalty incentives and oil commodity prices by implementing its drilling programs.

At September 30, 2009 Arcan had 13 full time office employees and 7 full time field employees.

For a full understanding of the financial position and results of operations of the Company this press release should be read in conjunction with the unaudited interim financial statements for the three and nine month periods ended September 30, 2009 and 2008 together with the notes thereto as well as the audited financial statements for the year ended December 31, 2008 and 2007, together with the notes related thereto and other documents filed on SEDAR, including the related MD&A, historical financial statements, the information circular dated April 9, 2009 and the Company's Annual Information Form ("AIF") dated April 3, 2009 for the year ended December 31, 2008. These documents are available at www.sedar.com under the Company's SEDAR profile.

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. Arcan has 47,940,060 common shares, 586,631 warrants, 750,000 performance options, and 4,682,000 stock options outstanding. Pursuant to the prospectus offering, 481,000 outstanding warrants issued in July 2004 with a \$2.00 exercise price expire on October 22, 2010 and the 105,631 outstanding warrants issued in April 2005 with a \$1.60 exercise price expire on April 22, 2010.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

BOE Presentation – Production and reserve 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. Boe's 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.

Please refer to the "Abbreviations and Conversions" in the AIF dated April 3, 2009 for the year ended December 31, 2008, and available on SEDAR, for meanings of certain abbreviations used in this press release.

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 "funds from (used in) operations". This measure is commonly utilized in the oil and gas industry and is considered informative for management and shareholders. Specifically, "funds from (used in) operations" represents net loss for the period adjusted for non-cash items in the statement of operations. This term 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 Company's performance. Management considers this term to be important as it helps evaluate performance and demonstrates the Company's ability to generate sufficient cash to fund future growth opportunities.

Advisory Regarding Forward-Looking Information and Statements

This press release contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "guidance", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this press release contains forward-looking information and statements pertaining to the following: Arcan's income taxes, tax liabilities and tax pools; the volume and product mix of Arcan's oil and gas production; oil and natural gas prices and Arcan's risk management programs; the amount of asset retirement obligations; future liquidity and financial capacity and resources; cost and expense estimates; results from operations and financial ratios; cash flow sensitivities; royalty rates and their impact on Arcan's operations and results; future growth including development, exploration, and acquisition and development activities and related expenditures.

The forward-looking information and statements contained in this press release reflect several material factors and expectations and assumptions of Arcan including, without limitation: that Arcan will continue to conduct its operations in a manner consistent with past operations; the general continuance of current or, where applicable, assumed industry conditions; availability of debt and/or equity sources to fund Arcan's capital and operating requirements as needed; the continuance of existing and, in certain circumstances, proposed tax and royalty regimes; the accuracy of the estimates of Arcan's reserve volumes; and certain commodity price and other cost assumptions. Arcan believes the material factors, expectations and assumptions reflected in the forward-looking information and statements are reasonable at this time but no assurance can be given that these factors, expectations and assumptions will prove to be correct. The forward-looking information and statements included in this press release are not guarantees of future performance and should not be unduly relied upon. Such information and statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events

to differ materially from those anticipated in such forward-looking information or statements including, without limitation: changes in commodity prices; unanticipated operating results or production declines; changes in tax or environmental laws or royalty rates; increased debt levels or debt service requirements; inaccurate estimation of Arcan's oil and gas reserves volumes; limited, unfavourable or no access to debt or equity capital markets; increased costs and expenses; the impact of competitors; reliance on industry partners; and certain other risks detailed from time to time in Arcan's public disclosure documents including, without limitation, those risks identified in this press release, and in Arcan's Annual Information Form for the year ended December 31, 2008, copies of which are available on Arcan's SEDAR profile at www.sedar.com.

The forward-looking information and statements contained in this press release speak only as of the date of this press release, and Arcan does not assume any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable laws.

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