



**ARCAN RESOURCES LTD. ANNOUNCES SYNDICATED CREDIT FACILITIES INCREASED 43%
FROM \$70 MILLION TO \$100 MILLION**

CALGARY, Alberta, Canada, September 30, 2010 – Arcan Resources Ltd. (TSXV – "ARN") ("**Arcan**") is pleased to announce that it has completed amendments to its syndicated credit facilities to increase the amount available under the facilities by 43% from \$70 million to \$100 million.

The increased credit facilities consist of a \$90 million syndicated revolving credit facility and a \$10 million revolving operating facility. The credit facilities are secured by a charge on all of Arcan's assets and include customary positive and negative covenants by Arcan in favour of the lenders. This syndicated credit facility is lead by the ATB Financial and includes the National Bank of Canada.

Arcan is very pleased by the early well performance of the 12 successful horizontal wells drilled to date. Already these wells have delivered strong economic results which were recognized by Arcan's lending syndicate in increasing the credit line. Performance to date has increased Arcan's confidence in the repeatability of the play. Management feels that the newly increased bank lines provide Arcan with significant financial and operational flexibility creating a catalyst for continued drilling and production growth. To that end, Arcan anticipates it will commence the next phase of its development drilling program early in Q4 2010.

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 75,407,904 common shares, 128,500 warrants, and 7,285,167 stock options outstanding.

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.

Readers should be aware that historical results are not necessarily indicative of future performance.

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", "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 future drilling program, expectations regarding drilling and completion of new wells and expanding facilities, expectations and assumptions concerning success of future exploration and development activities, the performance and viability of new wells and the anticipated uses of funds from Arcan's expanded credit facilities.

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; that the production from new wells will be comparable to the results realized from Arcan's existing horizontal wells, 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 and on terms acceptable to Arcan; 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, unfavorable 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, 2009, a copy of which is 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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