



ARCAN ANNOUNCES RESULTS FROM ETHEL 12-11-67-8W5 WELL AND RESUMPTION OF SERVICE INTO THE PENGROWTH SWAN HILLS GAS GATHERING SYSTEM

CALGARY, Alberta, Canada, March 9, 2011 – Arcan Resources Ltd. (TSXV (Tier 1) – "ARN") ("**Arcan**") announces that it has completed a ten day production test on its Ethel (4-15) 12-11-67-8W5 ("**12-11**") well. In addition, Arcan is pleased to announce the resumption of service into the Pengrowth Energy Corporation ("**Pengrowth**") Swan Hills gas gathering system and the bringing on-stream of shut-in production.

Operational Update

Arcan's 12-11 well was drilled to a vertical depth of 2,450 meters into the Beaverhill Lake carbonate reservoir with a horizontal leg of approximately 1,400 meters and was completed using 14 separate 43 cubic meter 28 percent hydrochloric acid fracture stimulation treatments. Arcan is pleased to announce that after ten days of continuous production testing, the 12-11 well averaged in excess of 590 barrels per day of 40° API light sweet oil plus 220 thousand cubic meters per day of sweet solution gas. Initial production for the 12-11 well is expected to average approximately 300 to 500 barrels of oil equivalent ("**BOE**") per day over the first 30 days and is expected to perform in-line with production results from Arcan's previously released Ethel (5-34) 10-27-67-8W5 ("**10-27**") well. The 10-27 well was Arcan's second horizontal multi-stage fractured well and is approximately five kilometres north of the 12-11 well. The 10-27 well came on-stream in May 2010 and, on a producing hours basis, averaged approximately 450 BOE per day over the first 30 days, 360 BOE per day over the first 90 days, and 200 BOE per day over the first six months. The 10-27 well is presently producing approximately 100 BOE per day and, as at February 2011, has cumulative production of approximately 48,000 BOE on primary recovery. The 10-27 well does not have the benefit of waterflood pressure support.

Arcan expects to implement an Enhanced Oil Recovery Scheme into the Ethel Oil Pool in the latter part of 2011 or early in 2012. Arcan expects ultimate recoveries of ten to 15 percent on primary recovery and up to 40 percent of the original oil in place under waterflood. These estimates continue to be based upon current horizontal production data, over 30 years of vertical well production and waterflood history from the Deer Mountain Unit #2 and the performance of adjacent Swan Hills waterflooded producing properties. The well data from the 12-11 well is the first well data that has become available from Arcan's first quarter 2011 development program for its 100 percent wholly-owned Ethel area of 67-8W5. In addition to the 12-11 well, Arcan has drilled four horizontal wells in the Ethel area which are in various stages of completion and/or production testing. All five of Arcan's new Ethel wells are expected to be on production in the second quarter of 2011 and are part of Arcan's ongoing 2011 development program which is estimated at 20 to 25 horizontal wells over its 150 net section land base.

Arcan is currently testing the Ethel (4-15) 16-10-67-08W5 well, the 4-20-68-8W5 well and the 6-36-65-9W5 ("**6-36**") well. The 6-36 well was a horizontal re-entry and is the first horizontal multi-stage fractured well on Arcan's Swan Hills South land block. Arcan's ownership is 100% in the approximately one township (36 sections) of land in the Swan Hills South area. The 6-36 re-entry well had an existing horizontal leg that was approximately 500 meters long to which Arcan applied an seven stage fracture.

Arcan previously press released that it had identified horizontal wells that were rate restricted due to insoluble materials liberated during completion fracturing operations causing plugging of existing production ports. Arcan continues to conduct an ongoing program to methodically repair the effected wellbores. Early production results are encouraging and Arcan will release results on these operations when conclusive data is available.

Finally, as previously announced, Arcan had experienced temporary production curtailments due to the explosion and subsequent shut down of the Pengrowth Swan Hills gas gathering system on January 1, 2011. On March 1, 2011 Pengrowth announced the resumption of service at the gas gathering system and Arcan is starting to bring the related shut-in production back on-line. Arcan will provide an update on production volumes after normal production has resumed.

About Arcan

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 88,100,446 common shares, 8,450,500 stock options and \$86,250,000 aggregate amount of 6.25% convertible unsecured subordinated debentures currently outstanding.

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BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 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.

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, among other things, the following: Arcan's future drilling program, expectations respecting initial production on the 12-11 well, the potential implementation of an Enhanced Oil Recovery Scheme into the Ethel Oil Pool, expected ultimate recoveries in the Ethel Oil Pool as a result of the Enhanced Oil Recovery Scheme, expectations respecting Arcan's five new Ethel wells, expectations and assumptions concerning success of future exploration and development activities and the performance and viability of new wells.

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; the accuracy of current horizontal production data, historical well production and waterflood results from the Deer Mountain Unit #2, the continuity of reservoir conditions in the Swan Hills waterflooded producing properties, 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; unforeseen circumstances could arise which would require Arcan to modify its exploration and drilling activities; 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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