

ARCAN RESOURCES LTD. PROVIDES CORPORATE UPDATE

CALGARY, Alberta, Canada, March 27, 2007 – Arcan Resources Ltd. (TSXV – "ARN") ("Arcan" or the "Corporation"), is pleased to announce current production, updated drilling results for the Q1 2007 drilling program and Change of Auditors.

Production Update

Hamburg

At Hamburg three (1.5 net) of the five productive wells are being produced on a rotating basis to test the volume capabilities of a third party battery. During a seven day period three wells have produced at combined daily rates as high as 1,900 BOE/day (950 BOE/day net) which Arcan expects to be near the current capacity of the battery. However, productive capability from these three wells is in excess of these rates. A fourth well (100% interest) at 14-07-96-9W6 is in the process of being tied-in and will be brought on production when production from the other wells become restricted by maximum rate limitations ("MRL's"). This well was tested at rates in excess of 500 BOE/day. The Company is keeping the fifth well located at 13-20-96-9W6 shut-in because of a higher gas/oil ratio.

Deer Mountain

In Deer Mountain production is averaging approximately 600 BOE/day (450 BOE/day net) of light oil and natural gas. Arcan's new oil battery and water handling facilities are now fully operational. Additional water injection commenced in March and an infill well that is currently being drilled is expected to be on stream by the end of April. Further development infill drilling and further water injection is anticipated in Q3, 2007.

McLeod

In McLeod, Arcan has tied-in two recently drilled wells (previously announced) and current production now exceeds 900 BOE/day net from the area. Arcan has approximately 300 BOE/day net behind pipe in McLeod. Arcan expects that facility and pipeline constraints will delay the production behind pipe until late 2007 at the earliest. Arcan has additional locations planned for drilling in McLeod in 2007 and is expecting to expand in this area.

Q1 2007 Drilling Concludes

In the Hamburg area of Northern Alberta, Arcan announces an additional successful Slave Point oil well (50% net interest) at 5-17-96-9W6. This well has been production tested at a rate of approximately 750 BOE/day 40+ API sweet oil. This is the first well to test the eastern edge of the pool as defined by 3-D seismic.

The previously drilled well (100 percent interest) at 15-07-96-9W6 experienced difficulties on completion resulting in water inflow up vertical fractures from a lower formation. The well was re-entered and horizontally whip stocked to a down hole location in 14-07-96-9W6M. The 14-07-96-9W6 was successfully completed and tested at rates in excess of 500 BOE/day with a water cut of approximately 30%. Arcan expects to produce the 14-07 well as facility capacity becomes available. Long term production from this well will determine the

effects of the fractures. There is negligible water being produced from the other wells in the Hamburg area.

Arcan believes that the five (3.0 net) oil wells drilled to date have penetrated a significant Slave Point reservoir confirming a pool of sizable aerial extent and reserve potential. Arcan has two firm and two contingent development locations set for next winter into this pool. Arcan will be evaluating optimal field and facility construction over the ensuing months to maximize values to Arcan shareholders. All five producing oil wells are presently pipelined and will be MRL restricted upon completion of their new oil production period. Arcan has received approval from the Alberta Energy and Utilities Board for an Enhanced Oil Recovery Scheme. In this regard, Arcan is currently drilling a potential water source well and plans to finalize construction of a one kilometre all weather road into the area. Timing of implementation of this scheme is currently being reviewed by Arcan.

Arcan has changed corporate auditors to KPMG LLP. Arcan's financial results for the quarter ended September 30, 2006 will be filed shortly under Arcan's SEDAR profile at www.sedar.com. Information regarding audited year end financial statements and corporate reserve reports will be released by the April 30, 2007 deadline.

Arcan expects that its 2007 capital program will continue to focus on growth through exploration and development in its three core areas of Deer Mountain, Mcleod and Hamburg.

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.

Barrels of oil equivalent ("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.

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

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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