

ARCAN RESOURCES LTD. ANNOUNCES EXPLORATION WELL AND BANK FINANCING UPDATES AND PERFORMANCE SHARE CONVERSION

CALGARY, Alberta, Canada, March 13, 2008 – Arcan Resources Ltd. (TSXV – "ARN") ("Arcan" or the "Company"), is pleased to provide an update on the exploration well in Hamburg, announce the expansion of its revolving credit facility to \$36 million, and announce that the board of directors of the Company has approved the full conversion of all 6,550,400 outstanding performance shares of the Company (the "Performance Shares") into 1,335,000 Arcan common shares, effective immediately.

Hamburg Exploration Well – Arcan's 100% exploration well in Hamburg was cased for the Slave Point. Arcan is encouraged by logs from the well however the well was not completed due to weather and facility related factors. Arcan intends to complete the well next winter and results will be released after the completion operations have concluded.

Expansion of Credit Facility – Arcan has entered into an agreement with its bank lender, Alberta Treasury Branches, to increase the amount available under its revolving operating credit facility from \$25 million to \$36 million.

Performance Share Conversion – Pursuant to the terms of the amalgamation of Arcan with Desco Energy Ltd. ("Desco") on January 1, 2007, each former Desco shareholder received one Performance Share as a portion of the consideration for each Desco common share held at the time of the amalgamation. Pursuant to the provisions of the Performance Shares, such shares will, on November 1, 2008, be either redeemed and cancelled or converted into a fraction of an Arcan common share (to a maximum of 0.20380435 of a common share for each Performance Share) depending on the volume of oil and natural gas reserves at the Company's Hamburg property effective June 30, 2008. The terms of the Performance Shares provide that the Company may, at its option, elect to convert each Performance Share into 0.20380435 of a common share at an earlier date as specified by the directors. The board of directors of the Company has consented to give immediate effect to the earlier conversion of the Performance Shares. Accordingly, all 6,550,400 outstanding Performance Shares are being converted into 1,335,000 common shares, effective immediately. Further information regarding the issuance of share certificates representing common shares to be issued upon the conversion of the Performance Shares will be provided to holders of Performance Shares in due course.

Additional information regarding Arcan and the terms of the Performance Shares is available in Arcan's annual information form for the year ended December 31, 2006 posted under Arcan's SEDAR profile at www.sedar.com.

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. Immediately preceding the exercise of the performance shares, Arcan had 36,491,555 common shares, 598,631 Warrants, 1,500,000 performance warrants, 6,550,400 performance shares (convertible into a maximum of 1,335,000 shares) and 3,440,000 stock options outstanding.

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

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