

ARCAN RESOURCES LTD. PROVIDES ROYALTY IMPACT AND OPERATIONS UPDATE

CALGARY, Alberta, Canada, November 12, 2007 – Arcan Resources Ltd. (TSXV – "ARN") ("Arcan" or the "Company") announces the acquisition of a majority interest in the oil battery at Hamburg and provides other operational updates and guidance on the expected impact of changes to Alberta's royalty regime.

Hamburg

On November 1, 2007 Arcan acquired operatorship and a 50.25% working interest in the oil battery which services the oil wells in the Slave Point GG Pool. With water injection commencing on October 28, 2007 at rates exceeding voidage replacement requirements, Arcan expects approval from the Alberta Energy and Utilities Board ("EUB") to include the two additional wells drilled last winter into the area of the Enhanced Recovery Scheme ("EOR"). Once approved, these wells are expected to have Good Production Practices ("GPP") status, changing the well production rates from current maximum rate limits of approximately 100 (50 net) boe per day per well, to an estimated 300 - 500 (150-250 net) boe per day per well.

Arcan plans to continue development of the GG pool this winter by drilling three to four additional producing wells and one or two additional water injection wells. The first development well to be drilled this winter is expected to have GPP status as it is within the boundaries of the currently defined Enhanced Recovery Scheme. Plans to modify current battery and pipeline capacity from approximately 1,800 boe per day to 3,500 boe per day are also currently underway.

One exploration prospect that Arcan plans to drill in Hamburg this winter is potentially oil bearing, however, the Hamburg basin itself is approximately 90% gas prone. Arcan's gas targets are at depths of approximately 3,000 meters providing benefits from the proposed royalty incentives for deep gas drilling.

Arcan's technical staff has also worked extensively on the British Columbia side of the Hamburg Slave Point reef trend and have identified six exploration prospects in British Columbia. One of these prospects is in the drill ready stage with land acquired and the initial location surveyed. This prospect has up to three additional follow-up locations on Arcan lands.

Arcan's management is currently analyzing the timing of the drilling of the exploration wells in the Hamburg area and working interest levels in these wells.

McLeod

In early September 2007, Arcan drilled and cased one (1.0 net) Gething natural gas well at McLeod at a measured depth of approximately 2,432 meters. Arcan is currently tying this well in and expects that production will commence by December 1, 2007 at an estimated 150-200 boe per day. Additional locations with proposed drilling depths of around 2,500 meters have been surveyed in McLeod and other deeper opportunities in the area are being accumulated. Arcan is reviewing gas drilling at McLeod in light of the recently announced changes to the royalty framework in Alberta and will consider further opportunities generated through the related shallow rights reversion proposed as part of the new royalty program.

Deer Mountain

Arcan's Deer Mountain property contains a large inventory of low risk development infill oil wells with high reserve impact and high net backs. Within the new royalty regime these wells will continue to offer favourable economics.

Arcan has recently drilled two wells and is drilling a third well off one pad in Deer Mountain. Completion of the first of the three wells has commenced. The drill and case costs of these wells is more than 30% below last year because of efficiencies and lower service costs. This program is a follow-up to the development well drilled in March, 2007 which resulted in a well with initial rates in excess of 250 barrels per day of light sweet oil. An additional five well program is scheduled for the first half of 2008.

Pressure maintenance via water injection is essential to maximize recovery and maintain low decline production rates. In this regard, Arcan continues with implementation of the water injection infrastructure. Current water production and injection has been over 1,000 barrels per day, replacing voidage and building pool pressures.

An additional 29 locations have been surveyed or are in the process of being surveyed. Based on existing spacing and allowable spacing, Arcan expects to have several years of development drilling inventory in the Deer Mountain area.

Impact of the New Royalty Framework for Alberta

On October 25, 2007 the Alberta Government released the New Royalty Framework for Alberta ("NRF") with a proposed effective date of January 1, 2009. There remain a number of significant outstanding uncertainties and interpretation issues, however, to assess the impact of the NRF Arcan engaged its independent reserves engineers, GLJ Petroleum Consultants ("GLJ"), to re-run Arcan's December 31, 2006 reserve report under the NRF. GLJ updated Arcan's December 31, 2006 reserves report using GLJ's October 1, 2007 price deck and then assumed that the new royalty burdens were in place. As a result, the new reserve regime would have approximately a 10% negative impact on Arcan's reserves value (based on the pre-tax 10% discount factor net present value of proved plus probable reserves) and approximately a 14% negative impact on 2009 operating cash flow.

Arcan will continue to target a recycle ratio of two times or greater (defined as average operating netback divided by FD&A costs) within the NRF. Arcan is able to re-allocate capital expenditures within its 3 core areas among exploration and development drilling for both oil and/or natural gas. Arcan has a large inventory of infill oil locations with low risk profiles but high reserve potential and high operating netbacks. Low risk/high netback oil drilling of the nature of Arcan's is less affected by the NRF than higher risk exploratory oil drilling. The majority of Arcan's exploration targets are gas prone at depths of approximately 3,000 meters. This deeper gas drilling will benefit from the incentives proposed in the NRF and is economic within the current low gas price environment. As well, during the past year Arcan has identified over six drilling prospects in British Columbia in areas which complement its existing core area and where Arcan's technical staff has many years of experience. One of these prospects is already in the drill ready stage.

Operations

Arcan exited Q3, 2007 with approximately \$15 million in debt and working capital against its \$25 million dollar bank lines. During the third quarter, Arcan estimates that it achieved record cash flow, record operating netbacks on high commodity prices and low operating costs and produced over 1,300 boe per day. Production was up approximately 200% from the 438 boe per day produced in Q3, 2006 and flat to Q2, 2007. Based on new wells coming on-stream and Arcan's assumption of operatorship of the oil battery in the Hamburg area, Arcan expects that it is likely to meet its 2007 exit target of 2,350 BOE per day. Arcan has invested heavily in infrastructure, implementing two water floods in the last year, and now looks to take advantage of its deep development inventory to continue to add asset value per share.

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. As at November 7, 2007 Arcan had 36,480,995 common shares, 609,191 Warrants, 1,500,000 performance warrants, 6,550,400 performance shares (potentially convertible to a maximum 1,335,000 Arcan shares) and 3,140,000 stock options outstanding.

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 Arcan's internal expectations, estimates, projections, beliefs and assumptions as of the date hereof. These forward-looking statements are not guarantees of future performance and are subject to numerous known and unknown risks, uncertainties, and other factors, 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, regulatory requirements, issues related to the Corporation's industry partners, 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.

Production 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. Boe's may be misleading, particularly if used in isolation.

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