

ARCAN RESOURCES LTD. PROVIDES OPERATIONS UPDATE

CALGARY, Alberta, Canada, September 10, 2007 – Arcan Resources Ltd. (TSXV – "ARN") ("Arcan" or the "Company") provides an update on developments at its Hamburg, McLeod and Deer Mountain properties.

Hamburg

Arcan has entered into a formal agreement under which it will acquire a 50.25% interest in a partner-owned oil and gas battery at Hamburg as well as operatorship of this facility. The consideration for this acquisition is Arcan's agreement to carry this partner for its 49.75% share of the costs of implementing a water injection program at Hamburg. The water injection work program consists of drilling and completing a water source well, re-completing an existing well as a water injection well, installing injection and water handling facilities and building an all-weather road to the injection site. Closing of this transaction occurs on the first day of the month following the first water injection. Prior to this transaction, Arcan did not have ownership or operation of production facilities in the Hamburg area. Arcan has suspended its efforts to construct its own new oil battery as a result of this transaction.

The majority of work with respect to the water injection program has commenced. The all-weather road was constructed in August 2007. The water source well at 16-19-096-09W6M, which was drilled and cased in March 2007, was completed last week. This completion has confirmed two major water bearing strata. Portions of the injection equipment have been built off-site and are expected to be delivered to the injection location over the next several weeks.

Arcan plans to continue development of this pool this winter by drilling three or four additional producing wells and one or two additional water injection wells. Also, separate from this development, Arcan plans to drill three to five exploratory Slave Point tests in Hamburg based on 3-D seismic anomalies

McLeod

In early September 2007, Arcan drilled and cased one (1.0 net) Gething natural gas well at McLeod. Arcan expects that this well will be completed over the next few weeks. Additional locations have been surveyed in McLeod but additional drilling in McLeod will be postponed to pursue drilling light oil development opportunities in Hamburg and Deer Mountain.

Deer Mountain

Arcan is scheduled to commence drilling up to seven development wells in the Deer Mountain area in early October 2007. Five of these wells are planned as producers and two as water injection wells. This program is a follow-up to the development well drilled in March which resulted in a prolific well with initial rates in excess of 300 barrels per day of light sweet oil. Pressure maintenance via water injection is essential to maximize recovery and maintain low decline production rates. Therefore, Arcan continues to implement the drilling of new oil producers and water injection wells along this prolific trend. Arcan has completed construction of a water injection line to the northern part of the field and has converted an existing well to a water injection well within this trend. Arcan has also successfully re-completed an existing well

near our battery facility as a water source well. Water production from this well has confirmed a significant water source in our field.

Arcan is surveying additional locations in Deer Mountain area. Based on existing spacing Arcan expects to have several years of drilling inventory in the Deer Mountain area.

General

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 September 7, 2007 Arcan had 33,770,995 common shares, 619,191 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.

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