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**ARCAN RESOURCES LTD.
NEWS RELEASE**

ARCAN ANNOUNCES INCREASE IN RESERVES AND NET ASSET VALUE

CALGARY, Alberta – March 2, 2009 – Arcan Resources Ltd. ("**Arcan**" or the "**Corporation**") (TSXV: ARN) is pleased to provide information on its oil and gas reserves as of December 31, 2008, as evaluated by the Corporation's independent reserve engineering firm, GLJ Petroleum Consultants Ltd. ("**GLJ**"). Arcan's reserves evaluation was conducted pursuant to National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* ("**NI 51-101**") and the Canadian Oil and Gas Evaluation Handbook reserves definitions. In addition, Arcan is able to provide unaudited estimates of certain items relating to its year-end 2008 financial results.

Highlights:

- * Net asset value of \$3.77 per fully diluted share (proved plus probable before tax discounted 10%) at December 31, 2008, including the impact of Alberta's new royalty framework. This represents a 37% increase over the \$2.73 (proved plus probable before tax discounted 10%) per fully diluted share as at December 31, 2007. This value increase more than offsets the significant commodity price declines and the impact of Alberta's new royalty framework.
- * Proved plus probable ("**P+P**") reserves at December 31, 2008 are 9.8 million boe, up 36% from 7.2 million boe at December 31, 2007. Arcan's P+P reserves have an approximate 18 year reserve life index based on Q4, 2008 production rates and are 76% proved and 82% light oil.
- * Finding, development and acquisition ("**FD&A**") costs for the year ended December 31, 2008 are estimated at \$16.81/boe proven and \$16.35/boe P+P (including changes in future capital) as a result of waterflood, driving a recycle ratio of 3.3 times based on average operating netback (revenue less royalties and operating costs) for the year estimated at \$53.98/boe .
- * Farm-out agreement signed with respect to certain high impact exploration prospects of the Corporation. Arcan operates the drilling and the first earning well in the Hamburg area is underway.
- * Deer Mountain and Hamburg GG Pool waterflood implementation projects have been successful in creating two high quality light sweet oil assets with low production declines and long reserve life. Infrastructure is in place to develop and exploit these assets. In Hamburg, the Corporation has up to 8 infill locations in the Slave Point GG Pool which are expected to have Good Production Practice ("**GPP**") status and may allow Arcan to add up to 1,500 boe per day. In Deer Mountain, the Corporation has years of drilling inventory built by its technical team.
- * Bank line of \$50 million confirmed to April, 2010.

Summary results of production and summary reserve information are as follows:

	Year Ended December 31, 2008	Year Ended December 31, 2007	% Change
Production (1)			
Oil & NGL's (bbls/day)	1,128	798	41
Natural Gas (Mcf/day)	2,220	2,278	(3)
Combined (boe/day)	1,498	1,178	27
% Light Oil	75%	68%	
Drilling Activity			
Total Wells	12.0	12.0	0
Working interest wells	9.8	9.2	7
Undeveloped Land			
Gross acres	87,762	27,250	222
Net acres	63,689	19,159	232
Reserves (Proved plus Probable) (2)			
Oil & NGL's (Mbbls)	8,673	5,894	47
Natural Gas (MMcf)	7,011	6,569	7
Combined (Mboe)	9,842	6,989	41
% Light Oil			
Finding, development and acquisition costs (1)			
Proved (\$/boe)	16.81	31.51	(47)
Proved plus Probable (\$/boe)	16.35	24.11	(32)
Recycle Ratio - Proved plus Probable (1)	3.3	1.5	120
Net Asset Value per fully diluted share (2)			
NPV 10%, before tax	\$3.77	\$2.73	38
NPV 15%, before tax	\$2.84	\$2.17	31

(1) Based on estimated unaudited 2008 numbers.

(2) 2007 adjusted to reflect a GLJ estimate of the impact the new Alberta royalty framework.

Arcan notes the following with respect to the summary results and reserve information:

- All of the reserve increases were internally generated through value added drilling of Arcan's long life light oil asset base.
- Drilled twelve (9.8 net) wells in 2008 including eight (6.8 net) oil wells, one (0.5 net) natural gas well, one (0.8 net) water source well, and one (0.8 net) water injection well, as well as converting two (1.6 net) wells to water injection well and one (0.8 net) dry and abandoned ("D&A") well.
- Operating netbacks for the year ended December 31, 2008 are estimated at \$53.98 up 50% from the \$35.97 for the year ended December 31, 2007, as Arcan continues to focus on the higher value light oil assets. Operating netbacks are calculated by subtracting royalties and operating costs from revenues.
- Production for the year ended December 31, 2008 is estimated at 1,498 boe per day up 27% from the 1,178 boe per day for the year ended December 31, 2007. Production increases do not include significant volumes behind pipe which will now be realized because of the recently announced GPP approval at Hamburg.

Additional information on the Corporation's reserves as required by NI 51-101 will be included in the Corporation's annual information form and filed on SEDAR (www.sedar.com) prior to April 30, 2009 under the Corporation's profile.

Net Asset Value

As detailed in the table below, net asset value of \$3.77 per diluted share at December 31, 2008 has increased by 38% from \$2.73 at December 31, 2007. This calculation is presented for December 31, 2008 and December 31, 2007 and incorporates estimates that may not be comparable year-over-year and are only at one point in time. An independent evaluation was performed for reserves. However, land values and seismic values are based on management's estimates. The reader is cautioned that the presentation does not reflect all aspects of the Corporation. Certain figures for 2007 have been adjusted to reflect GLJ's estimate of the impact of the new Alberta royalty framework.

	December 31, 2008		December 31, 2007	
	(\$000's)	\$/Share	(\$000's)	\$/Share
Proved plus Probable reserves NPV 10% before tax	171,457	4.53	127,302	3.09
Undeveloped Acreage (1)	11,062	0.29	9,542	0.23
Seismic (1)	800	0.02	1,000	0.02
Net Debt (2)	(40,400)	(1.07)	(30,141)	(0.73)
Proceeds from dilution (3)	0	0	4,789	0.12
Fully diluted shares (3)	37,869		41,239	
Net Asset Value	142,919	3.77	112,495	2.73

(1) Undeveloped land is valued at amount paid which averages to \$174 per acre. Seismic value is valued at estimated cost for 3D seismic acquired over undrilled acreage in Deer Mountain.

- (2) Estimated and unaudited for December 31, 2008.
- (3) Figures for 2008 only include 37,868,560 common shares of Arcan as all other convertible securities were out of the money. Figures for 2007 include: (i) 36,491,555 common shares; (ii) 6,550,400 performance shares convertible into 1,335,005 common shares (which conversion was effected in March 2008); (iii) 1,500,000 performance warrants exercisable at \$1.00 per share; (iv) 598,631 warrants exercisable at \$1.93 per share; and (v) 1,313,500 stock options that are in the money at an average exercise price of \$1.38 (these were all options exercisable below the \$2.37 December 31, 2007 per share trading price).

The growth in net asset value can be mainly attributed to value unlocked as a result of Arcan's investment in two waterfloods and the high success ratio of the wells drilled by Arcan in 2008, offset by the decrease in commodity pricing. Arcan invested approximately \$38.9 million and grew the present value of the Corporation's reserves to \$171 million (proved plus probable discounted at 10%). Arcan expects that historic facility investments will continue to add value for 2009 and beyond from its current 18 year reserve life.

Corporate Reserves Information

Arcan's oil and gas reserves as of December 31, 2008 were evaluated by GLJ, the Corporation's independent reserve engineering firm in accordance with NI 51-101. The proved plus probable reserves are categorized approximately 76% as proved and are weighted approximately 82% towards light oil, with a reserve life index of approximately 14 years based on proved reserves and over 18 years based on proved plus probable reserves, calculated using the estimated Q4, 2008 production rates. All information contained herein regarding financial results is unaudited. At December 31, 2008, Arcan's proved plus probable reserves were 9.8 million boe, up 36% from 7.2 million boe at the end of 2007 (pre-new Alberta royalty framework), excluding production. The following table outlines a summary of the Corporation's reserves (gross company interest reserves before deduction of royalties payable, not including royalties receivable) at December 31, 2008:

December 31, 2008 Reserves Summary (1)	Crude Oil & NGLs (MBBLs)	Natural Gas (MMCF)	Oil Equivalent (MBOE)
Proved developed producing	4,433	3,882	5,080
Total Proved	6,769	4,542	7,526
Probable	1,904	2,470	2,316
Total Proved plus Probable	8,673	7,011	9,842

(1) Company interest before royalties, escalated price forecast, columns may not add due to rounding.

December 31, 2008 Net Present Values ("NPV") Summary (\$000's) (1)	Discount at 0%	Discount at 10%	Discount at 15%
Proved developed producing	156.5	96.7	80.2
Total Proved	235.7	134.2	108.2
Probable	87.8	37.2	27.8
Total Proved plus Probable	323.5	171.5	136.0

(1) Company interest before tax determined under the new Alberta royalty framework, escalated price forecast. Columns may not add due to rounding.

Pricing Assumptions – Forecast Prices and Costs

GLJ employed the following pricing, exchange rate and inflation rate assumptions as of December 31, 2008, in its reports in estimating reserves data using forecast prices and costs.

Year	Inflation	Medium and Light Crude Oil			Natural Gas		Exchange Rate (\$US/\$Cdn)
		WTI Cushing Oklahoma 40° API (US\$/bbl)	Edmonton Par Price 40° API (\$/bbl)	Cromer Medium 29.3° API (\$/bbl)	Alberta Gas Reference Price Plant Gate (\$/MMBTU)	AECO - C Spot (\$/MMBTU)	
2009	2.0	57.50	68.61	59.00	7.34	7.58	0.825
2010	2.0	68.00	78.94	68.68	7.70	7.94	0.850
2011	2.0	74.00	83.54	73.52	8.10	8.34	0.875
2012	2.0	85.00	90.92	80.01	8.46	8.70	0.925
2013	2.0	92.01	95.91	84.40	8.70	8.95	0.950

Escalated at 2.0% per year after 2018.

Capital Efficiencies

(\$millions except boe and per boe)	Fiscal 2008 Proved	Fiscal 2008 Proved plus Probable	Fiscal 2007 Proved	Fiscal 2007 Proved plus Probable
Total capital expenditures (1)	38.9	38.9	59.3	59.3
Future capital – end of period (2)	38.2	45.2	23.4	30.2
Future capital – start of period (2)	23.4	30.2	(21.7)	(29.0)
Total capital including future capital	53.7	53.8	61.0	60.6
Total reserve additions (Mboe)	3,193	3,293	1,935	2,512
FD&A cost (\$/boe) (4)	16.81	16.35	31.51	24.11
Operating Netbacks (\$/boe) (1)	53.98	53.98	35.97	35.97
Recycle ratio (\$/boe)	3.3	3.3	1.14	1.50

- (1) Total capital expenditures (including \$2.9 million recorded for shares issued for Desco warrants) and operating netbacks for 2008 are estimated, net of asset sales and unaudited.
- (2) Future capital expenditures required to convert proved non-producing and probable reserves to proved producing.
- (3) The aggregate of the exploration and development costs incurred in the most recent fiscal year and the change during that year in estimated future development costs generally will not reflect total finding and development costs related to reserves additions for that year.
- (4) Three year averages are not included above as Arcan had a six month year end for December 31, 2006. The aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated future development costs generally will not reflect total finding and development costs related to reserves additions for that year.

The recycle ratio measures how well the Corporation replaced every boe of production. The table above shows that Arcan received a net \$53.98 per boe it sold and it cost \$16.55 to find a replacement boe. If the averages for 2008 were applied to the future, for every dollar Arcan invested it would expect a return of \$3.30. Arcan strives for a recycle ratio of 2.0 to preserve long term value additions.

As indicated below, Arcan added 6.0 boe in reserves for every one boe Arcan produced in 2008.

Production replacement	Fiscal 2008	Fiscal 2007
Total reserve additions (proved + probable) (Mboe)	3,292	2,512
Total Production (Mboe) (1)	546.8	429.9
Production replacement	6.0	5.8

(1) Total production for 2008 is unaudited.

Arcan's reserve life index on its production is estimated at over 18 years reserves, calculated using estimated fourth quarter production volumes.

Deer Mountain Area

In 2008, Arcan drilled eight (7.2 net) wells in Deer Mountain Unit 2. The drilling of these wells was followed immediately by water injection, which Arcan expects to maintain production in the area. These wells also increased Arcan's confidence in its 3-D seismic interpretation and its geological interpretation of the reef providing an analogue for future reserve additions outside of the boundaries of the current mapping used for reserve calculations. Also, there are a significant number of wells to drill within the existing boundaries and increased recovery factor through additional water injection wells. In 2009 Arcan will focus on continued water injection which is expected to maintain or increase production rates.

Arcan's existing infrastructure and the falling cost environment continue to make investments in this area economic even at the current low commodity prices. With focused drilling activity, FD&A costs are expected to continue to decline in the Deer Mountain area.

Arcan entered 2008 with Deer Mountain Unit 2 producing under 350 (300 net) boe per day and it is now producing over 900 (700 net) boe per day.

In 2008, Arcan acquired interests in over 50 sections of land that are south and immediately adjacent to its Deer Mountain Unit 2 lands. A continuous reef structure has been mapped throughout these lands extending from Deer Mountain Unit No. 2 to other producing wells several miles to the south. Arcan has not yet booked reserves to these lands except for a half section relative to the drilling of its first well on these lands. This well came on at initial rates of over 100 boe/day and is now producing at approximately 50 (34 net) boe per day. This has set the stage for the drilling of offset producing wells and an injection well to establish a new water injection "pod". Arcan is presently developing a strategy to best exploit this land base.

Hamburg Slave Point GG Pool Development

Arcan was pleased to announce early this month, the approval from the Energy Resources Conservation Board of the expansion of the Enhanced Oil Recovery Scheme with respect to the Slave Point GG Pool. This has relieved the maximum rate limitation restrictions with respect to the existing wells in the pool and has opened the door for the drilling of 4-8 low-risk development wells within the pool which can be produced at unrestricted rates. Arcan is currently constructing a water injection pipeline and plans to convert a well into an injector to bring up pool pressure and reduce gas/oil ratios. Arcan expects to install pumpjacks on these wells before the end of March to take advantage of

increased production limits. Most wells in the pool have initial production rates of over 600 boe/day and are expected to stabilize (with water injection support) at approximately 400 boe per day. Arcan has an average 50% working interest in this pool. Arcan is in the process of installing pump-jacks and new injection to take advantage of the higher production limits.

Arcan estimates that there may be additional positive impacts to net asset value due to the GPP approval, received subsequent to December 31, 2008, on the Chinchaga Slave Point GG Pool.

Exploration Program Underway

Arcan has spud a well on a new exploration prospect in the Hamburg area targeting the Slave Point formation. This well is being drilled on a farmout basis with Arcan paying 5% of drill and complete costs and 95% of equipment and tie-in costs to end up with a 50% working interest in the well. If successful, the well is targeting to be on-stream before winter break-up in 2009. The farm-in partner has the option to continue drilling additional exploration wells on several other high impact exploration prospects in Hamburg and West-Central Alberta on similar earning terms.

In early 2008, Arcan drilled an exploration well in the Hamburg area that continues to await completion, as the significant capital required to justify tie-in is currently constrained. No reserves were attributed to this well in 2008 because the well has not yet been tested or completed.

2009 Outlook and Strategy

Arcan intends to continue to operate out of cash flow in 2009. Arcan has a \$50 million revolving credit facility with the Alberta Treasury Branches, against which approximately \$40 million is currently drawn. Arcan expects that the current credit line will likely remain intact until April, 2010, based on discussions with the bank after presenting the bank with Arcan's reserve report as of December 31, 2008. For the balance of 2009, Arcan intends to stay within its cash flow and bank lines, look for strategic acquisitions and other avenues to increase shareholder value and continue to build its exploration opportunities.

Arcan is light oil weighted with an 18 year reserve life index (proved and probable) on a solid production base. Arcan is expected to benefit from low production decline rates in 2009 and thereafter because of its intensive investment in water flood infrastructure in previous years. Arcan will plan into a reprieve from the current economic recession and will respond with rapid growth development wells in the GG pool at the appropriate time. The Corporation's objectives for 2009 are similar to those that were achieved in 2008, namely spend within its means and add value and growth to the Corporation.

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 37,868,560 common shares, 586,631 warrants (exercisable at \$1.93 per share), 1,500,000 performance warrants (exercisable at \$1.00 per share), and 3,656,000 stock options outstanding (exercisable at prices between \$1.00 - \$4.25 per share),

BOE Presentation – Production and reserve 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. Readers should be aware that historical results are not necessarily indicative of future performance.

Estimated values disclosed in this press release do not represent fair market value.

Advisory Regarding Forward-Looking Statements

The information in this news release contains certain forward-looking statements. These statements relate to future events or our future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "approximate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "would" and similar expressions. These statements involve substantial known and unknown risks and uncertainties, certain of which are beyond the Corporation's control, including: the impact of general economic conditions; industry conditions; changes in laws and regulations including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced; fluctuations in commodity prices and foreign exchange and interest rates; stock market volatility and market valuations; volatility in market prices for oil and natural gas; liabilities inherent in oil and natural gas operations; uncertainties associated with estimating oil and natural gas reserves; competition for, among other things, capital, acquisitions, of reserves, undeveloped lands and skilled personnel; incorrect assessments of the value of acquisitions; changes in income tax laws or changes in tax laws and incentive programs relating to the oil and gas industry; geological, technical, drilling and processing problems and other difficulties in producing petroleum reserves; and obtaining required approvals of regulatory authorities. The Corporation's actual results, performance or achievement could differ materially from those expressed in, or implied by, such forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur or, if any of them do, what benefits that the Corporation will derive from them. These statements are subject to certain risks and uncertainties and may be based on assumptions that could cause actual results to differ materially from those anticipated or implied in the forward-looking statements. The Corporation's forward-looking statements are expressly qualified in their entirety by this cautionary statement. Except as required by law, the Corporation undertakes no obligation to publicly update or revise any forward-looking statements.

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