



NEWS RELEASE

February 25, 2008

CONNACHER OIL AND GAS LIMITED AND ALBERTA OILSANDS INC. COMPLETE STRATEGIC POOLING OF CONTIGUOUS OIL SANDS ACREAGE IN THE HALFWAY CREEK/HANGINGSTONE EAST AREA OF ALBERTA

Calgary, Alberta – Connacher Oil and Gas Limited (CLL - TSX) announced today that it has entered into a pooling of 38.5 sections (24,640 acres) of contiguous oil sands rights situated south of Fort McMurray in the Halfway Creek/Hangingstone East area of northeastern Alberta with Alberta Oilsands Inc. ("AOS"). The pooling will result in the joint ownership, evaluation and potential development of any resources which may be identified by the evaluation program. There can be no assurance that developable resources will be identified from evaluation programs.

The agreement provides for the joint operatorship during the initial two years of the evaluation program, with Connacher the designated operator of any subsequent evaluation program(s) and of any identifiable development program(s) which may occur. The area is amenable to the application of steam assisted gravity drainage technology ("SAGD") should developable prospects be identified.

The first year's seismic and core hole drilling programs are currently underway and are anticipated to progress throughout the remaining winter months in 2008, with preliminary results expected later this year.

In conjunction with the pooling, an equalization payment which recognizes sunk costs and the disproportionate acreage contributions by the two parties will be made by Connacher to AOS.

The pooling provides Connacher with access to a significant increase in Connacher's contiguous gross land base in the region and it is anticipated it will result in economies in the evaluation of the potential of the region. Connacher's experience in accelerated delineation and development at its Great Divide project could be applied at Halfway Creek/Hangingstone East if the joint evaluation program proves successful.

Connacher Oil and Gas Limited is a Calgary-based crude oil and natural gas exploration, development and production company. Its primary asset is its interest in oil sands rights, reserves and resources, facilities and bitumen production at its Great Divide project situated approximately 50 miles southwest of Fort McMurray, Alberta. Connacher also owns conventional oil and gas properties in Alberta and Saskatchewan, a 9,500 barrel per day refinery at Great Falls, Montana and a 26 percent equity stake in Petrolifera Petroleum Limited, a company engaged in exploration and production activity in South America. Connacher's common shares are listed for trading on the Toronto Stock Exchange under the symbol CLL.

Forward-Looking Information: This press release contains certain "forward-looking information" under applicable securities law including: planned evaluation of certain pooled lands and the potential development of resources from such lands. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "may", "will", "potential", "proposed" and other similar words, or statements that certain events or conditions "may" or "will" occur. These statements are only predictions. Forward-looking information is based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. These factors include the inherent risks involved in the exploration and development of oil sands properties, difficulties or delays in start-up operations, the uncertainties involved in interpreting drilling results and other geological data, fluctuating oil prices, the possibility of unanticipated costs and expenses, uncertainties relating to the availability and costs of financing needed in the future and other factors including unforeseen delays. For a description of the risks and uncertainties facing Connacher and its business and affairs, readers should refer to Connacher's Annual Information Form for the year ended December 31, 2006. Connacher undertakes no obligation to update forward-looking information if circumstances or management's estimates or opinions should change, unless required by law. The reader is cautioned not to place undue reliance on forward-looking information.

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