

GEOCAN Energy Inc.

Press Release
For Distribution
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GEOCAN Energy Inc. Provides third quarter Operational Update

Calgary, Alberta -- GEOCAN Energy Inc. (TSX: GCA) announces its update of operations for the third quarter ending September 30, 2006:

On July 10, 2006 GEOCAN closed the corporate acquisition of Columbus Exploration Ltd., adding approximately 400 boepd to its production base.

GEOCAN's exit production for September was approximately 3,500 boepd, split 50/50 between natural gas and crude oil. Additionally the Company has approximately 500 boepd behind pipe with plans to bring on 350 boepd of this behind pipe production during the fourth quarter. The remaining 150 boepd is planned to come on-stream during the first quarter of 2007. This additional behind pipe production along with fourth quarter drilling (detailed below) will allow GEOCAN to maintain its previously announced guidance for production exit rates of over 4,000 boepd.

During the third quarter, GEOCAN participated in the drilling of 13 wells (8.375 net) consisting of three heavy oil wells (3.0 net), seven cased gas wells (3.875 net), one well currently drilling (0.25 net) with two wells abandoned (1.25 net). The three heavy oil wells were all drilled in Saskatchewan with further locations to be drilled in fourth quarter 2006 or first quarter 2007. The Company cased two potential gas wells in Westlock and Highvale both in its west central Alberta core area. At Abee in central Alberta, one gas well was cased and a second well was abandoned. In the northeastern BC core area, GEOCAN participated in four successful gas wells at Buick Creek, these wells will be tied in during early 2007. A partner-operated well was abandoned at Garrington, Alberta. Another partner-operated well is currently drilling at Raven, Alberta. The operating partner issued an update for the Raven well on September 20th (press release available on www.geocan.com).

Further to the Raven well, GEOCAN participated in the third quarter spud of this high impact Swan Hills formation test at 5-4-36-4 W5M. The well is being drilled to test a 3D seismically defined target at a true vertical depth of over 3,500 meters. The well should reach target depth in mid-to-late November. By paying 40% of the drilling cost of this well, GEOCAN is earning a 25% working interest in 44 sections of prospective land.

A total of 23 wells (15.625 net) have now been drilled during the first nine months of 2006. GEOCAN plans to drill ten more wells during the fourth quarter of 2006 (five natural gas and five heavy oil). Drilling plans for 2006 are in line with corporate guidance of 34 wells.

During the third quarter, GEOCAN initiated a process to evaluate a thermal recovery project in its heavy oil core area in Saskatchewan. Recent drilling has discovered a channel that could have superior

recovery factors through the utilization of enhanced thermal processes. The first step is to complete a reservoir simulation study to understand the expected range of secondary recovery and capital required to develop the project.

On the land acquisition front, GEOCAN acquired five and three quarter sections at Crown land sales and earned one additional section through a farm-in. The acquisition of Columbus provided GEOCAN with an additional 21,142 gross (13,808 net) acres. As a result, GEOCAN now holds a total of 160,680 gross (124,880 net) acres of undeveloped land.

On August 22, GEOCAN saw its revolving credit facility extended from \$40 million to \$50 million based on the Columbus acquisition and recent drilling success. The terms are similar to the previous borrowing arrangement.

Third quarter financial results are expected to be released on or before November 15, 2006.

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Where amounts are expressed on a barrel of oil equivalent (“boe”) basis, natural gas volumes have been converted to oil equivalence at six thousand cubic feet per barrel. The term boe’s may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcg: 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.

FORWARD-LOOKING STATEMENTS

This news release may contain forward-looking statements including expectations of future production, cash flow and earnings. This guidance is based on current expectations that involve a number of risks and uncertainties, which could cause actual results to differ from those anticipated. These risks include, but are not limited to: the risks associated with the oil and gas industry (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), commodity price, price and exchange rate fluctuation and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures. GEOCAN's actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur or, if any of them do, to what benefit GEOCAN will derive therefrom. GEOCAN disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

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