

GEOCAN Updates Successful 3rd Quarter Drilling Program

CALGARY, September 30/CNW/ - GEOCAN Energy Inc. ("GEOCAN" or the "Company") is pleased to provide an update of its 3rd quarter drilling program. To date, GEOCAN has drilled 7 of its 8 wells scheduled for the 3rd quarter with drilling underway on the 8th well. The Company has cased 6 of these 7 wells as potential natural gas wells or heavy oil producers and 3 of these wells are currently on production. The Company has now drilled 21 wells in 2004, resulting in 14 heavy oil wells, 2 potential natural gas wells, 1 producing natural gas well, 3 dryholes and 1 well awaiting results. GEOCAN anticipates that it could drill up to 10 more wells in the 4th quarter.

Central Alberta Area – The Company drilled and cased a 100% working interest ("WI") natural gas well on its Tomahawk property on September 26. This exploration well has multi-zone potential and will be completed as soon as possible. The adjacent gas plant has available capacity and the well is in close proximity to the facility. The Company holds 5,120 gross (5,120 net) acres in the general Tomahawk area and several additional locations have been identified.

East Central Alberta Area – On September 26, the Company cased a 100% WI new pool wildcat natural gas well near Bindloss, Alberta. The well was cased with multi-zone potential which will be tested in the next few weeks. The drilling rig has now moved over to a second location and results are anticipated in the next week. The Company will continue to acquire additional seismic and run its own seismic programs in order to define additional drilling prospects in the area for 2005 drilling. The east central Alberta area is characterized by multizone natural gas potential, shallow drilling depths and proximity to existing infrastructure.

Elsewhere in the area, the Company farmed out a location at Enchant. The well was cased and completed in August, drilled to the Nisku and completed in the Turner Valley formation. Terms of the farmout require the farmee to shoot a 3D seismic program and drill a well at their cost, to earn 100% before payout and 60% after payout subject to a sliding scale gross overriding royalty payable to GEOCAN convertible upon payout to a 40% WI.

Lloydminster Area - In July, the Company drilled a 100% WI new pool wildcat discovery well at South Mervin, Saskatchewan encountering 16 feet of pay in the Lower Waseca formation. The well is currently producing 90 boepd from the formation. Based on 2D seismic, at least 5 potential offset locations have been identified and the Company proposes to confirm these with a 3D seismic program scheduled for October. It is anticipated that some of these locations may be drilled in the 4th quarter.

At Mervin also in Saskatchewan, the Company ran a 2.3 mile 3D seismic program during the summer months and as a result, the Company cased a new pool wildcat discovery on August 30. The well encountered 49 feet of pay in the Colony formation and was brought on production on September 10. The well is currently producing 120 boepd and the Company believes it is not fully optimized. As a result of the 3D seismic and the discovery well, 5 more stepout locations have been identified with potential for additional wells through downspacing.

On September 20, a second Mervin well was cased targeting a separate geological play. The well encountered 11 feet of net pay in the Waseca and 10 feet of net pay in the Sparky zone and is currently awaiting completion.

During July, the Company drilled a 100% WI development well at Staplehurst, Alberta. The well was brought onstream August 26 and is currently producing 54 boepd. GEOCAN also acquired 480 gross (480 net) acres from an industry participant immediately adjacent to the Staplehurst lands. The Company expects to commence drilling on these lands during the 4th quarter.

At Edam South, Saskatchewan the Company lost circulation at a development well and was forced to abandon the well prior to reaching the targeted Sparky and Waseca formations.

Deer Mountain, Alberta – In September GEOCAN sold its 50% WI in the 160 gross (80 net) acre Deer Mountain property. GEOCAN received \$1,075,000 (subject to closing adjustments) for this non-core asset which produces approximately 20 boepd. Proceeds from the sale have been deployed to fund the 3rd quarter drilling program and will be further utilized to subsequently tie-in and equip the new wells.

Crown Land Sales - During the 3rd quarter, GEOCAN acquired an additional 5,800 gross (5,800 net) acres at Crown land sales bringing its total undeveloped land to 65,484 gross (63,020 net) acres.

Other - The Company has now fully satisfied its 2003-2004 flow through share commitments and will now add to its corporate tax pools for the remainder of 2004. The Company is currently evaluating a number of common and flow through share proposals to further develop its undeveloped lands through to the end of 2005.

As a result of recent drilling success, GEOCAN's revolving credit facility has been extended by \$3 million to \$14 million. This is in addition to a Development/Acquisition facility of \$5 million.

On August 1, Mr. John Charuk joined the team in the capacity of Manager, Land. John has over 18 years of petroleum land management experience and will be an integral part of the continued success of the Company.

Advisory – Forward-Looking Information

This press release may include certain forward-looking statements. These statements involve known and unknown risks, uncertainties, and other factors that may cause actual results or events to differ materially from those anticipated in our forward-looking statements, however we believe these forward-looking statements to be reasonable. We cannot assure the reader that these expectations will prove to be correct. Boe's may be misleading, particularly if used in isolation. In accordance with NI 51-101, a BOE conversion ratio for natural gas of 6 mcf: 1 bbl has been used which is based on an energy equivalency conversion method particularly applicable at the burner tip and does not represent a value equivalency at the well head.

GEOCAN is a Canadian oil and gas exploration and production company and trades on the Toronto Stock Exchange (TSX) under the symbol "GCA". GEOCAN Energy Inc. currently has 16,608,116 common shares issued and outstanding.

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