

## Operations Update

November 18, 2004

### **GEOCAN Discovers New Gas Pool and Updates Active Drilling Program**

CALGARY, November 18<sup>th</sup>, 2004 GEOCAN Energy Inc. ("GEOCAN or the "Company") is pleased to provide an update of its recent drilling program from the previous news release of September 30<sup>th</sup>, 2004. Average production for the month of October is estimated at 1,815 boepd, up from 1,755 boepd in September. Subsequent to the 3<sup>rd</sup> Quarter results issued November 15<sup>th</sup>, the Company has drilled and cased another nine wells in the Lloydminster area and tested the new pool discovery gas well at Tomahawk. All of these wells are in various stages of completion, initial production or tie-in and none of these contributed to October production volumes.

**Central Alberta Area** - The Company drilled and cased a 100% working interest ("WI") well in the Tomahawk area on September 26<sup>th</sup>. This well has now been successfully tested in the primary target zone and tested gas at a sustained rate of 1,695 mcf/day (282 boepd) during the three-day test. No water was produced. The well is currently awaiting tie-in to an adjacent facility with available processing capacity. Production is scheduled to commence prior to the end of December.

**Lloydminster Area** - At Mervin, the company has drilled three 40-acre spacing, 100% WI follow-up locations to the previously announced Colony formation discovery well that encountered 49 feet of oil pay. The discovery well is currently producing about 200 bopd. All three new wells encountered the same Colony zone with varying net pay thickness' of between 31 and 46 feet. They have all been completed within the past week and are commencing production. Another 40-acre spacing well is also being programmed for drilling next week into this Colony pool. Future development may include up to six more 20-acre spacing infill locations. Also on the same section, the Company has drilled as separate anomaly and placed on production September 28<sup>th</sup>, a Sparky oil well currently producing about 50 bopd. Waseca reserves are also anticipated in this well. A second well has been drilled into this pool with potential for both Sparky and Waseca reserves. This well is currently waiting completion in the Waseca formation.

At Mervin South, the Company drilled a successful discovery well in the Waseca formation in August and a follow-up well has been drilled in October. This new 100% WI well encountered the primary Waseca zone as well as a new potential Colony oil zone. Additional wells on these lands are currently being evaluated using the existing 3D seismic information. Several follow up locations are currently being programmed for drilling in early 2005. In early October, the Company acquired 1920 gross (net) acres of Crown land in the area. To further evaluate this area for drilling locations, 18 miles of trade seismic has been purchased.

At Dee Valley West, the Company has drilled a new pool discovery Sparky oil well. This 100% WI well commenced production on November 3<sup>rd</sup> at initial rates of 75 bopd. Several follow up locations are being evaluated.

At Golden Lake South, the Company drilled a 100% WI Waseca oil well that is now on production at initial rates of about 50 bopd.

At Staplehurst North, a 100% WI development well was drilled in late October into existing General Petroleum and Sparky oil pools. This well was completed last week with initial rates similar to a well drilled in late August that is currently producing about 60 bopd from the Sparky formation. A third 100% WI well was drilled in November and is currently waiting completion in the General Petroleum formation. This well also has reserves identified in the Sparky formation.

At Northminster, the company recently shot a 2.1 square mile, 3D seismic program to identify additional drilling locations offsetting past production.

GEOCAN is a Canadian oil and gas exploration and production company and trades on the Toronto Stock Exchange under the symbol "GCA" and currently has 16,630,920 common shares issued and outstanding.

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