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For Immediate Release

### **GEOCAN Energy Board of Directors approves \$30 million capital program for 2006**

Calgary, Alberta -- GEOCAN Energy Inc. (TSX: GCA) announces its Board of Directors has approved the company's 2006 capital program, which includes approximately \$30 million for the drilling of 34 gross wells (30.33 net), land acquisitions within core areas, 3-D and 2-D seismic programs and a number of facilities projects. The Company plans to fund its 2006 capital program from cash flow and existing bank facilities.

The 2006 capital program will focus predominantly on GEOCAN's high working-interest, core areas of northeast British Columbia (\$5 million), west central Alberta (\$17.5 million) and Lloydminster (\$7.5 million). In its 2006 drilling program, the company plans ten exploratory wells and 24 development wells. Approximately 65% of the wells will target natural gas and light oil. In 2005 GEOCAN drilled 23 wells, resulting in nine natural gas wells, 11 oil wells and an 87% success rate.

The Company targets 2006 exit production at between 4,000 and 4,500 boepd (after declines), dependent on rig availability, success rates, commodity prices and access issues related to weather. The Company exited 2005 at 3,414 boepd, up 70% from the exit level for 2004. In 2005 exit volumes were: natural gas 32% (2004 - 10%), light and medium oil 22% (2004 - 4%), and heavy oil 46% (2004 - 86%). The Company's reliance on heavy oil production was dramatically reduced in 2005 due a major acquisition in September 2005.

In addition to the \$22 million allocated to drilling, the 2006 capital program includes \$6.5 million in land acquisitions and seismic programs in core areas, which currently encompass about 103,000 acres of net undeveloped land. At North Tomahawk, in west central Alberta, where the company made two natural gas discoveries in 2005, approximately \$1.5 million is planned for pipeline and facilities projects to bring GEOCAN's 100% working interest natural gas and light oil to market in Q2/06.

GEOCAN is an oil and gas company with operations in British Columbia, Alberta and Saskatchewan. The focus of GEOCAN's current growth strategy is exploration and development while pursuing accretive acquisitions that create value for its shareholders. Fiscal discipline, operational control and a balanced risk profile are key components of this strategy. Over the past two years, GEOCAN has made two major acquisitions totalling approximately \$56,000,000 which significantly increased market capitalization and moved the company's production mix toward natural gas and light oil. The company currently has 54.7 million basic common shares issued and outstanding.

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#### **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 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.

Boe presentation: barrels of oil equivalent ("boe") may be misleading, particularly if used in isolation. A boe conversion rate of 6 Mcf per 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. All boe conversions in the release are derived by converting gas to oil at the ratio of six thousand cubic feet of gas to one barrel of oil.

The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

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