

May 5, 2006

### **GEOCAN Energy Inc. extends bank facilities to \$40 Million**

Calgary, Alberta -- GEOCAN Energy Inc. (TSX: GCA) is pleased to announce an increase to its revolving credit facilities with the National Bank of Canada from \$25 million to a total of \$40 million under similar terms to the previous borrowing arrangement.

The increase in the facility is a function of the 230% increase to GEOCAN 2005 yearend reserves value as assessed by Sproule Associates Limited., the independent reserves evaluators for the Company's oil and gas properties. The assessment was completed in accordance with National Instrument 51-101.

It is anticipated that funds from this expanded line of credit will be used to assist with funding of the Company's ongoing capital program.

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 totaling approximately \$56 million, significantly increasing market capitalization and moving 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'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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