

**Resaca Exploitation, Inc.**

("Resaca" or "the Company")

**Resaca Files Registration Statement With the U.S. Securities and Exchange Commission for
Common Stock Offering**

Resaca (AIM: RSX and RSOX), the oil and natural gas production, exploitation, and development company focused on the Permian Basin in the USA, announced today that it has filed a registration statement on Form S-1 with the U.S. Securities and Exchange Commission ("SEC") relating to a proposed public offering of its shares of common stock. Resaca intends to use the proceeds of the offering contemplated by the registration statement to repay a portion of the existing indebtedness of the combined company upon consummation of Resaca's previously announced merger with Cano Petroleum, Inc. with the remainder of the proceeds being used for general corporate purposes, including severance and merger related expenses.

RBC Capital Markets Corporation will act as sole book-running manager for the offering.

A registration statement related to these securities has been filed with the SEC but has not yet become effective. These securities may not be sold nor may offers to buy be accepted prior to the time that the registration statement becomes effective. This press release does not constitute an offer to sell or a solicitation of an offer to buy the securities described above, nor shall there be any sale of the securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

The offering of these securities will be made only by means of a prospectus, copies of which may be obtained, when available, from RBC Capital Markets Corporation at Three World Financial Center, 200 Vesey Street, 8th Floor, New York, NY 10281-8098, Attention: Equity Syndicate or by calling (212) 428-6670.

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