

PETROMINERALES ANNOUNCES STRONG SECOND QUARTER RESULTS

Bogotá, Colombia – August 11, 2006 – (TSX: PMG) Petrominerales Ltd. (“Petrominerales” or the “Company”) is pleased to announce second quarter financial and operating results. The Company’s second quarter 2006 interim report, including financial statements and management’s discussion and analysis, is available on the Company’s website at www.petrominerales.com and filed on SEDAR at www.sedar.com.

Financial and Operating Highlights

	Three months ended June 30,		% change	Six months ended June 30,		% change
	2006	2005		2006	2005	
Financial						
(Canadian \$000s, except where noted)						
Crude oil revenue	15,225	4,877	212	22,429	9,617	133
Funds flow from operations ⁽¹⁾	11,746	2,150	446	15,629	4,340	260
Per share – basic and diluted (\$) ⁽²⁾	0.15	0.03	400	0.20	0.05	300
Net income	7,244	481	1,406	8,869	1,005	782
Per share – basic and diluted (\$) ⁽²⁾	0.09	0.01	800	0.11	0.01	1,000
Capital expenditures	10,213	5,459	87	32,084	10,360	210
Total assets	184,243	80,727	128	184,243	80,727	128
Cash and working capital (deficit)	46,866	(1,694)		46,866	(1,694)	
Common shares outstanding, end of period (000s)						
Basic	95,000	79,000	20	95,000	79,000	20
Diluted	97,964	79,000	24	97,964	79,000	24
Operations						
Operating netback (\$/bbl)						
Crude oil revenue	64.05	52.34	22	62.33	50.70	23
Royalties	5.17	4.19	23	5.02	4.05	24
Production expenses	6.26	10.09	(38)	7.41	9.26	(20)
Operating netback	52.62	38.06	38	49.90	37.39	33
Average daily crude oil production (bbls)	2,612	1,024	155	1,988	1,048	90

⁽¹⁾ Calculated based on cash flow from operations before changes in non-cash working capital.

⁽²⁾ Assumed weighted average number of basic and diluted shares totaled 78,999,900 prior to incorporation on April 20, 2006. See “Formation of the Company” within Management’s Discussion and Analysis.

Highlights

The second quarter results reflect the impact of significant increases in production generated from the Company's recent drilling successes at Orito and the completion of the initial public offering and TSX listing of Petrominerales Ltd. (TSX:PMG) on June 29, 2006, generating gross proceeds to the Company of \$60 million. The results are highlighted as follows:

- Oil production averaged 2,612 bpd in the second quarter of 2006, a 155 percent increase over the comparative 2005 period.
- Funds flow from operations increased 446 percent to \$11.8 million.
- Net income increased 1,406 percent to \$7.2 million.
- Production expenses improved 38 percent to \$6.26 per barrel.
- Operating netbacks improved 38 percent to \$52.62 per barrel.

Operational Update

Petrominerales Ltd., ("Petrominerales") completed its initial public offering on June 29, 2006 and is now listed for trading on the Toronto Stock Exchange under the symbol PMG. The transaction resulted in gross proceeds of \$60 million to Petrominerales and Petrobank Energy and Resources Ltd. ("Petrobank") has retained an 80.7 percent ownership interest in Petrominerales.

Second quarter production averaged 2,612 bpd compared to 1,356 bpd in the first quarter of 2006 and 1,024 bpd in the second quarter of 2005. These significant increases are mainly due to the success of the Orito-117 and 118 completions at the end of the first quarter of 2006. These wells continue to produce at combined rates of approximately 1,960 bpd (1,548 bpd working interest before eight percent royalty).

During the quarter, we commenced our development drilling program in the Orito field, spudding our first development well of the year at Orito-119. We also re-entered two other wells, Orito-113 and Orito-115, deepening them for potential productive sands in the Caballos A zone, as well as preparing them for future fracture stimulation in the Caballos B, C, and D sands.

In June of this year we re-entered the Orito-113 well in an attempt to recover lost production due to near wellbore damage and to deepen the well down to the Upper A sand. During our pre-stimulation operations, pressure communication with the annulus was observed, and the subsequent fracture stimulation was postponed. A similar result occurred while cementing the recently drilled Orito-119 well, but a liner top packer was installed and annular isolation was achieved, allowing for the successful fracture stimulation of the Caballos zone in that well. Based on this recent success, the same operation is being planned for Orito-113, which should take place during September with the arrival of a second workover rig. We will also fracture stimulate the Orito-115 well at that time. During these recompletion operations, the wells have either been off-line or producing at less than their potential and we look forward to bringing them back on-stream in the near future.

The first of two drilling rigs under long-term contract commenced operations for Petrominerales in June 2006, drilling the Orito-119 location, which is a re-drill of an old non-producing well within the original field boundaries. Orito-119 reached total depth in early July 2006. The well has been completed and fracture stimulated in the upper Caballos sands. The well is now being brought on-line and we expect to have stable production rates in the near future. Ultimately we plan to install an electrical submersible pump to optimize the productive capability of the well.

Following the Orito-119 well, the rig commenced the sidetrack of the Orito-116 well and should drill through the targeted Caballos formation within the next week. The original Orito-116 well was our first confirmation of the southwest extension to the field beyond the existing field boundaries, initially testing

at rates of more than 1,000 bpd. Unfortunately, the well experienced a casing collapse and had to be abandoned. The ongoing delineation of this southwest extension to the field was further confirmed in late 2005 by the drilling of the Orito-117 and 118 wells from the same surface drilling pad. These wells have been the primary contributors to our production growth to-date in 2006. After drilling the Orito-116 sidetrack, the rig will drill two additional locations off this pad, all of which will be targeting this southwest extension of the field.

A second drilling rig, contracted for 16 months, is scheduled to arrive in Orito in late September of 2006, with its first well now scheduled to spud in early October. This rig will also be used to drill our Llanos Basin exploration wells during the first and second quarters of 2007, and will then return to Orito to drill additional development wells. Securing these rigs provides the Company with guaranteed access to the equipment required to implement our exploration program during the January-April dry season in the Llanos Basin and to facilitate an acceleration of the Company's Orito development drilling program into 2008. We expect to drill a total of eight wells in Orito in 2006 and have planned for up to 11 wells in Orito in 2007 in conjunction with five exploration wells in the Llanos and Putumayo basins.

At Neiva, we have commenced our initial phase of fracture stimulations involving five test wells in the Honda and Doima-Chicoral reservoirs. With success, this program may be expanded to more than 50 locations at Neiva.

Petrominerales has been actively evaluating our extensive inventory of exploration acreage focused primarily in Colombia's Llanos Basin. To-date, we have shot 250 square kilometers of 3-D seismic over our Las Aguilas, Corcel, Casanare Este and Casimena exploration blocks. We have identified a total of 16 leads and prospects over our five exploration blocks and we are planning an initial five-well exploration drilling program commencing at the end of 2006. On the Chicago Technical Evaluation Agreement ("TEA"), Petrominerales has submitted two exploration proposals (Mapache and Castor) covering a significant portion of the original TEA. The Mapache Block covers 107,705 acres and our proposal includes a commitment to acquire 40 square kilometers of 3-D seismic and to drill two exploration wells, which are scheduled for the first quarter of 2008. The Castor Block covers 110,265 acres and our proposal includes the acquisition of an initial 30 square kilometer 3-D seismic survey. Upon acceptance of these most recent exploration proposals, Petrominerales' exploration land base will total 2.3 million acres in seven exploration blocks and four TEAs.

Petrominerales has started the necessary work to evaluate the heavy oil potential of two of these TEAs covering 1.1 million acres in the southern Llanos Basin, where there is evidence of an extensive heavy oil belt. Petrominerales has a license to use Petrobank's THAI™ technology and is evaluating the technology's applicability to these Llanos Basin heavy oil deposits.

Outlook

With the completion of our Petrominerales initial public offering and the arrival of the first of two dedicated drilling rigs, we are strongly positioned to execute on our long-term development and exploration programs. Production gains realized from our late 2005 Orito drilling program underpin our Orito development drilling strategy well into 2008. Record world oil prices combined with a low eight percent royalty rate and operating costs that have improved to \$6.26 per barrel generate top tier netbacks and cash flows fueling these capital programs. The combination of Colombia's attractive fiscal regime, the Company's financial strength, our long-term access to rigs and an extensive prospective land base positions Petrominerales for sustained long-term growth.

Petrominerales Ltd.

Petrominerales Ltd. is a Latin American-based exploration and production company producing oil through two Incremental Production Contracts in Colombia and has exploration contracts and Technical Evaluation Agreements covering a total of 2.3 million acres in the Llanos and Putumayo Basins. Petrominerales is 80.7% owned by Petrobank Energy and Resources Ltd. (TSX/OSLO: PBG).

Certain statements in this release are “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995. Specifically, this press release contains forward-looking statements relating to the timing of capital projects and the results of operations. The reader is cautioned that assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be incorrect. Actual results achieved during the forecast period will vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors. Such factors include, but are not limited to: general economic, market and business conditions; fluctuations in oil prices; the results of exploration and development of drilling and related activities; fluctuation in foreign currency exchange rates; the uncertainty of reserve estimates; changes in environmental and other regulations; risks associated with oil and gas operations; and other factors, many of which are beyond the control of the Company. There is no representation by Petrominerales that actual results achieved during the forecast period will be the same in whole or in part as those forecast.

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