

**PETROMINERALES ANNOUNCES SECOND QUARTER RESULTS, CORCEL  
PRODUCTION ADDITIONS & NORMAL COURSE ISSUER BID**

Bogotá, Colombia – August 12, 2008 – Petrominerales Ltd. (“**Petrominerales**”), a 76.2% owned subsidiary of Petrobank Energy and Resources Ltd. (TSX: PBG) (“**Petrobank**”), is pleased to announce our second quarter 2008 financial and operating results.

**FINANCIAL & OPERATING HIGHLIGHTS (U.S. dollars, except where noted)**

The following table provides a summary of Petrominerales’ financial and operating results for the three and six month periods ended June 30, 2008 and 2007. Consolidated financial statements with Management’s Discussion and Analysis (“MD&A”) are available on the Company’s website at [www.petrominerales.com](http://www.petrominerales.com) and will also be available on the SEDAR website at [www.sedar.com](http://www.sedar.com).

	Three months ended			Six months ended		
	June 30,		%	June 30,		%
	2008	2007	Change	2008	2007	Change
<b>Financial</b>						
(US\$000s, except where noted)						
Crude oil revenue	<b>76,524</b>	14,977	411	<b>144,253</b>	24,144	497
Funds flow from operations <sup>(1)</sup>	<b>53,225</b>	8,708	511	<b>98,378</b>	13,904	608
Per share – basic (\$)	<b>0.53</b>	0.09	489	<b>0.98</b>	0.15	553
Per share – diluted (\$)	<b>0.51</b>	0.09	467	<b>0.94</b>	0.15	527
Net income	<b>30,687</b>	12,143	153	<b>52,915</b>	13,818	283
Per share – basic (\$)	<b>0.31</b>	0.13	138	<b>0.53</b>	0.15	253
Per share – diluted (\$)	<b>0.30</b>	0.13	131	<b>0.51</b>	0.15	240
Capital expenditures	<b>79,714</b>	38,342	108	<b>148,212</b>	65,911	125
Total assets	<b>504,607</b>	232,507	117	<b>504,607</b>	232,507	117
Net working capital (net debt) <sup>(1)</sup>	<b>56,979</b>	(40,610)	-	<b>56,979</b>	(40,610)	-
Common shares outstanding, end of period (000s)						
Basic	<b>100,654</b>	95,005	6	<b>100,654</b>	95,005	6
Diluted <sup>(2)</sup>	<b>109,636</b>	99,726	10	<b>109,636</b>	99,726	10
<b>Operations</b>						
Operating netback (\$/bbl) <sup>(1)</sup>						
Crude oil revenue	<b>114.57</b>	57.79	98	<b>99.23</b>	54.51	82
Royalties	<b>10.83</b>	4.64	133	<b>9.42</b>	4.37	116
Production expenses	<b>10.75</b>	6.15	75	<b>10.78</b>	6.52	65
Operating netback <sup>(3)</sup>	<b>92.99</b>	47.00	98	<b>79.03</b>	43.62	81
Average daily crude oil production (bbls)	<b>7,339</b>	2,848	158	<b>7,987</b>	2,447	226

<sup>(1)</sup> Non-GAAP measure. See “Non-GAAP Measures” section within MD&A.

<sup>(2)</sup> Assumes 3,656,508 common shares will be issued upon conversion of the Company’s convertible debentures which were issued in December 2007.

<sup>(3)</sup> Excludes hedging activities.

**Highlights:**

- Crude oil production increased by 158%, averaging 7,339 barrels per day (“bopd”) in the second quarter of 2008.
- Production increased to 8,717 bopd in the month of June 2008 and has recently increased to over 17,000 bopd due to significant production additions from our Corcel-A4 and C1 wells.
- Operating netbacks increased by 98% to \$92.99 per barrel in the second quarter of 2008.
- Funds flow from operations increased by 511% to \$53.2 million.
- Net income increased by 153% to \$30.7 million.

**OPERATIONAL UPDATE**

Production averaged 7,339 bopd in the second quarter of 2008, a 158% increase from the second quarter of 2007. The increase is due to continued success on our Corcel exploration block and ongoing development at Orito. Average second quarter production was impacted by the Corcel-A1 and A2 wells being off-line for workover operations for 24 and 15 days, respectively. Production increased to 8,717 bopd in the month of June 2008 and since then has increased to over 17,000 bopd due to significant recent production additions from our Corcel-A4 and C1 wells. As we have experienced in the past at Corcel, we anticipate that these wells will also exhibit production declines as their watercut increases over time.

The Corcel-A4 well is producing from the Guadalupe and Mirador zones with a high volume electric submersible pump and is currently producing 4,957 bopd at a 57% oil cut. Initial test results indicate that these intervals have a productive capability in excess of 15,000 barrels of fluid per day. After bringing the Corcel-A4 well on production, this structure is now producing 8,300 bopd and cumulative production from the A structure has already reached 1.7 million barrels.

The Corcel-C1 exploration well spudded on May 23, 2008 and was drilled directionally to a total vertical depth of 12,950 feet. Well logs indicate 77 feet of potential net oil pay in the Guadalupe and Lower Sand 1 zones. The Lower Sand interval has now been completed and production tested. Results indicate that this interval has a productive capacity of over 9,000 barrels of fluid per day. Initially, we have installed an electric submersible pump capable of up to 6,000 barrels of fluid per day. The Lower Sand interval is producing 5,200 barrels of 15 degree API oil per day at a 98% oil cut. We plan to initially produce this well from the Lower Sand on a standalone basis to acquire additional reservoir performance information prior to completing the Guadalupe intervals.

Following up on the Corcel-C1 exploration success, we commenced drilling our second well on the structure, Corcel-C3, on July 26, 2008 and are now drilling ahead at 8,368 feet. If the C3 well encounters prospective intervals in the Guadalupe and Lower Sand 1 similar to the C1 discovery, we plan to initially test the Guadalupe interval in this well. We then plan to move the drilling rig to commence a multi-well drilling program on the Corcel-D structure.

Our Corcel-C discovery has opened up a new play concept in the region and is analogous to our Corcel-B prospect. We are optimistic that we can continue to expand our prospect inventory with additional 3D seismic covering the northeast portion of the block and onto our adjoining Guatiquia Block. No reserves were assigned to the Corcel-C structure or the Corcel-B prospect in our December 31, 2007 independent reserve evaluation.

Our Corcel production facilities have been expanded to handle up to 70,000 barrels of fluid per day which will accommodate our short-term drilling plans. These facilities will continue to be upgraded to handle up to 140,000 barrels of fluid per day by the end of 2008 and up to 180,000 barrels of fluid per day early in 2009.

Our 40 square kilometre 3D seismic program over the Guatiquia Block, immediately adjacent to the Corcel discovery has been acquired and our 100 square kilometre 3D seismic program over the northeast

portion on the Corcel Block is underway. All of our 2007/2008 drilling locations were picked from our original 3D seismic data set, which only covered 15% of the Corcel Block. These new seismic programs will now allow us to evaluate significant additional acreage on trend with our initial Corcel discoveries.

### **Orito**

In Orito we continue to focus on the central and southwest areas of the block, following up on past success in these areas. We are currently completing the Orito-169 well, near the Orito-117 and 118 wells which are the most productive wells we have drilled at Orito. We have one dedicated drilling rig working at Orito where we expect to drill approximately one well every 35 to 40 days. An extensive 3D seismic program is about to commence over the south and east central areas of Orito as well as the adjoining Las Aguilas exploration block. This program will image and confirm the viability of up to 14 additional drilling locations in undeveloped areas of the field.

### **Neiva**

Our Neiva Block has consistently provided a stable base of production and offers an extensive inventory of low risk development drilling opportunities. We have recently secured a mobile rig fit-for-purpose for executing our next 30-well development drilling program, which is expected to include 12 Doima Chicoral wells and 18 Honda wells. This program is scheduled to commence by November and we expect to be able to drill three wells per month.

### **Castor Block**

Our Castor-1 exploration well was drilled to a total vertical depth of 10,604 feet and, based on formation evaluation information; the decision was made to abandon the well. We plan to shoot additional seismic to evaluate an extended portion of the 108,741 acre block before drilling our next Castor exploration well.

### **Casanare Este Block**

As previously announced, our Casanare Este-2 well reached a total vertical depth of 10,130 feet on February 27, 2008. The well was completed as a potential oil well and the first of three potential zones was completed with the drilling rig, but tested 100% water. Originally we planned to complete the additional horizons in the well with a workover rig but we have now made the decision to abandon the well, based on additional analysis and results from the offsetting Castor-1 well. Before drilling our next Casanare Este exploration well, we plan to acquire additional seismic on the Block.

### **Mapache Block**

On our Mapache Block, our first two exploration wells, Mapache-1 and 2, have been cased as potential oil wells in the Mirador and Carbonera formations. Both of these wells will be tested with our service rig, following completion and testing operations in Corcel.

### **Llanos Basin Heavy Oil Blocks**

The 2D and 3D seismic data acquired over our Rio Ariari, Chiguiro Oeste and Chiguiro Este heavy oil blocks has been interpreted and we have identified an initial 15 prospects. Our exploration drilling campaign is to commence early 2009 and will include at least one well on each of the blocks.

## **NORMAL COURSE ISSUER BID**

The board of directors of Petrominerales has approved a normal course issuer bid (the “NCIB”), subject to the approval of the Toronto Stock Exchange. Pursuant to the NCIB, Petrominerales plans to repurchase up to 5,032,717 of its common shares, representing approximately 5% of the issued and outstanding shares.

A strong balance sheet and cash flow have led the board of directors of Petrominerales to approve the NCIB to try and capitalize on the current valuation of Petrominerales in the market which in our opinion does not fairly represent the value and potential of our unique asset base.

### ***Petrominerales Ltd.***

Petrominerales Ltd. is a Latin American-based exploration and production company producing oil in Colombia with 15 exploration blocks covering a total of 1.6 million acres in the Llanos and Putumayo Basins. Petrominerales is 76.2% owned by Petrobank (TSX: PBG).

### ***Forward-Looking Statements***

*Certain information provided in this press release constitutes forward-looking statements. The words "anticipate", "expect", "project", "estimate", "forecast" and similar expressions are intended to identify such forward-looking statements. 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. You can find a discussion of those risks and uncertainties in our Canadian securities filings. Such factors include, but are not limited to: general economic, market and business conditions; fluctuations in oil prices; the results of exploration and development drilling, recompletions and related activities; timing and rig availability, outcome of exploration contract negotiations; 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. Except as may be required by applicable securities laws, Petrominerales assumes no obligation to publicly update or revise any forward-looking statements made herein or otherwise, whether as a result of new information, future events or otherwise.*

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