



PETROMINERALES

A PETROBANK COMPANY

PRESS RELEASE

PETROMINERALES RECORDS NET INCOME OF \$15.3 MILLION IN THE SECOND QUARTER

Bogotá, Colombia – August 5, 2009 – Petrominerales Ltd. (“**Petrominerales**” or the “**Company**”) (TSX:PMG), a 67% owned subsidiary of Petrobank Energy and Resources Ltd. (TSX: PBG), is pleased to announce second quarter financial and operating results highlighted by a 194% increase in production to 21,548 barrels of oil per day (“bopd”) and a 20% increase in funds flow from operations to \$64.1 million (\$0.63 per share diluted).

FINANCIAL & OPERATING RESULTS

The following table provides a summary of Petrominerales’ financial and operating results for the three and six months ended June 30, 2009 and 2008. Interim consolidated financial statements with Management’s Discussion and Analysis (“MD&A”) are available on the Company’s website at www.petrominerales.com and will also be available on the SEDAR website at www.sedar.com.

(All references to \$ are United States dollars unless otherwise noted)

	Three months ended			Six months ended		
	June 30, 2009	2008	% Change	June 30, 2009	2008	% Change
Financial						
(US\$000s, except where noted)						
Crude oil revenue	104,823	77,915	35	181,175	147,507	23
Funds flow from operations ⁽¹⁾	64,098	53,225	20	105,944	98,378	8
Per share – basic (\$)	0.65	0.53	23	1.07	0.98	9
– diluted (\$)	0.63	0.51	24	1.05	0.94	12
Net income	15,323	30,687	(50)	22,711	52,915	(57)
Per share – basic (\$)	0.16	0.31	(48)	0.23	0.53	(57)
– diluted (\$)	0.15	0.30	(50)	0.23	0.51	(55)
Capital expenditures	79,527	79,714	-	144,898	148,212	(2)
Total assets	633,237	504,607	25	633,237	504,607	25
Net debt ⁽¹⁾	(99,203)	(41,391)	140	(99,203)	(41,391)	140
Common shares outstanding, end of period (000s)						
Basic	97,930	100,654	(3)	97,930	100,654	(3)
Diluted ⁽²⁾	104,383	105,980	(2)	104,383	105,980	(2)
Operations						
Operating netback (\$/bbl) ⁽³⁾						
Crude oil revenue ⁽⁴⁾	47.96	114.57	(58)	40.90	99.23	(59)
Royalties	4.30	10.83	(60)	3.98	9.42	(58)
Production expenses	6.76	10.75	(37)	6.34	10.78	(41)
Operating netback	36.90	92.99	(61)	30.58	79.03	(62)
Average daily crude oil production (bbls) ⁽⁵⁾	21,548	7,339	194	21,659	7,987	171

⁽¹⁾ Non-GAAP measure. See “Non-GAAP Measures” below. The Company defines net debt as bank debt plus principal amount of convertible debentures and accounts payable less current assets.

⁽²⁾ Consists of common shares, stock options and deferred common shares outstanding as at the period end date.

⁽³⁾ Excludes hedging activities.

⁽⁴⁾ Net of transportation expenses.

⁽⁵⁾ Actual production sold for the three and six months ended June 30, 2009 was 21,390 bopd and 21,399 bopd, respectively (2008 – 7,339 bopd and 7,987 bopd).

HIGHLIGHTS

(comparisons are second quarter 2009 compared to the second quarter of 2008)

- Crude oil production increased 194% to 21,548 bopd due to drilling successes in Corcel, Mapache and Neiva.
- July production averaged 21,922 bopd.
- Funds flow from operations increased by 20% to \$64.1 million (\$0.63 per share diluted) despite significantly lower world oil prices.
- Recorded net income of \$15.3 million (\$0.15 per share diluted).
- Phase I of Monterrey offloading facility operational at 11,000 bopd capacity; commenced crude oil deliveries to the facility July 9, 2009.

OPERATIONAL REVIEW

Petrominerales' cash flow grew to \$64.1 million, or \$0.63 per share, in the second quarter of 2009, a 20% increase from the second quarter of 2008 despite 52% lower world oil prices. This organic cash flow growth is due to drilling success in Corcel, Mapache and Neiva that resulted in a 194% increase in production. Improvements in production operations and facilities reduced operating expenses to \$6.76 per barrel, a 37% decrease over the second quarter of 2008. Petrominerales reported net income in the quarter of \$15.3 million, or \$0.15 per share, on the strength of the Company's high operating netbacks, production growth and efficient cost structure.

Corcel

During the second quarter, our exploration program continued on the block with the drilling and completion of the Corcel-E1 exploration well, drilling Corcel-F1, and initial drilling operations on Boa-1 (formerly called B1). Production averaged 13,801 bopd in the second quarter and was negatively impacted by three well workovers in June and natural production declines, offset by new production from Corcel-E1. On May 26, Corcel-E1 was placed on production in the Lower Sand 1 formation at initial rate of 4,900 bopd. In June, Corcel-C3 was off production for 25 days to repair the down-hole pump. In addition, Corcel-E1 and D1 underwent work-overs which resulted in the wells being off production for 21 and 8 days, respectively. In July, Corcel production averaged 13,268 bopd.

Testing operations on our Corcel-F1 well were completed on July 29, 2009. The test results indicated that the Lower Sand 1, Guadalupe and Mirador formations are wet or cannot produce hydrocarbons at commercial rates. Corcel-F1 was the first of our Corcel exploration wells drilled on the east side of the main Corcel fault. Petrophysical data indicates that hydrocarbons have migrated through the reservoir quality rocks encountered in F1, indicating the potential for new play concepts at Corcel, and will be incorporated into our geological model going forward. As part of this review we are planning to acquire additional 3D seismic adjacent to the existing Corcel 3D on the southeast corner of the Corcel block to help define these new play ideas and identify new drilling targets. The well will now be completed for water injection service.

Boa-1 commenced drilling on June 26, 2009 and reached a total depth of 12,875 feet on July 25, 2009. Electric logs indicate 48 feet of potential net oil pay in the Lower Sand 1 and Lower Sand 2 formations. The potential pay in the Lower Sand 2 was not expected but is indicative of the multi-zone potential in Corcel. The well has been cased and we expect to have the results of the testing program by the end of August.

The drilling rig at Corcel is now being mobilized to Corcel-A2, where it will drill a side-track, targeting the top of the Corcel A structure. Corcel-A4, the structurally highest well, is not draining the top of the A structure efficiently due to a poor cement job. The rig will then be mobilized to our Guatiquia block for a two-well exploration program targeting the Percheron and Candelilla structures prior to returning to Corcel to continue our ongoing Corcel exploration program.

The Corcel central processing facility is now capable of handling 80,000 barrels of fluid per day. An upgrade to 140,000 barrels of fluid per day is expected to be completed during the third quarter.

In July, we completed Phase I construction of the Monterrey offloading facility with a delivery capacity of 11,000 bopd. Oil deliveries to the facility commenced July 9, 2009. Final delivery capacity of 20,000 bopd is expected to be available in the fourth quarter of this year. The facility is the closest offloading station to Corcel, 77 kilometers away, and has now reduced our trucking costs for volumes delivered to Monterrey to under \$3.00 per barrel.

Neiva

On our Neiva block, we have drilled 24 new wells in 2009, 17 in the Doima Chicoral and seven in the Honda formation as part of our multi-well development drilling program. Twenty wells have been completed and are on production, three in the Honda and 17 in the Doima Chicoral. Neiva production averaged 2,358 bopd in the second quarter, a 435% increase from 2008, and averaged 3,511 bopd in July. These increases reflect the effectiveness of our innovative multi-stage fracture stimulation technique, now being used to complete these wells. We have expanded our inventory of drilling locations and plan to drill up to 15 additional wells in 2009. In addition, we have performed five recompletions using our multi-stage fracture stimulation technique and are planning an additional ten recompletions in 2009.

Orito

Orito production averaged 3,695 bopd in the second quarter and averaged 3,983 bopd in July. Orito production increased 11% over the first quarter of 2009 due to the resumption of normal operations after a general strike in the Putumayo basin that shut-in operations for part of the fourth quarter of 2008 and part of the first quarter of 2009. Production also increased from the results of three new wells coming on production that were drilled in the first quarter. We have temporarily suspended our development drilling program as part of our strategy to refocus capital deployment to the highest value-add areas of our portfolio. We have received expressions of interest for our Orito property and we are considering a sale of this non-core asset.

Mapache

Mapache production averaged 1,694 bopd during the second quarter and 1,160 bopd in July. In April, we completed the acquisition of 91 square kilometres of 3D seismic to the south and on-trend with our initial discoveries. This program has confirmed an extensive fault trend extending along the length of the block. We plan to drill at least two wells on the block in 2010.

Exploration

Our three-well heavy oil exploration drilling program on our 818,650 acre land position in the southern Llanos basin commenced in June with the drilling of our Chiguiro Este-1 well. Drilling and logging operations were completed on July 2 and logs indicated that the sands in the Carbonera and Mirador formations were predominantly wet or contained non-commercial quantities of hydrocarbons; consequently the well was abandoned. The second well in the program, Chiguiro Oeste-1, commenced drilling on July 12, 2009 and reached a total depth of 4,984 feet on July 19, 2009. Electric logs indicate 56 feet of potential net oil pay in the Mirador formation. We have made the decision to case the well and we expect to have the results of the testing program by the end of August. Following completion of testing operations at Chiguiro Oeste-1, we will be moving the rig to the Rio Ariari block to drill Rio Ariari-1, which we expect to commence drilling by the end of August.

To date in 2009, we have acquired 338 square kilometres (km²) of 3D seismic; in addition to the 91 km² acquired on the Mapache block, we acquired 100 km² of 3D and 14 km of 2D in Castor, 97 km² in Casanare Este, and 50 km² in Rio Ariari. We will complete our 2009 seismic program with the acquisition of 85 km² of 3D seismic in Casimena, where we are currently in the field. These seismic programs will satisfy our current phase commitments on the Castor, Casanare Este and Casimena blocks. Our enhanced 3D seismic database is expected to further define previously identified leads and structures derived from our extensive 2D seismic data set.

On our Guatiquia Block, immediately southwest of Corcel, the first of our two-well exploration drilling program is expected to commence drilling by mid-September. These wells will target two separate prospects identified from 3D seismic and will satisfy both our 2009 and 2010 work commitments.

On our Blocks 25 and 31, two contiguous blocks north of Corcel and on trend with the “super giant” Cusiana-Cupiagua fields, we are currently reprocessing the existing 2D seismic grid, from which several preliminary leads have been identified, and we are planning a 3D seismic program for 2010. The first phase of these contracts has a term of 36 months, and our work commitments include acquiring 3D seismic and drilling exploration wells on both properties. In 2009, we will conduct environmental studies with plans to commence our exploration program in early 2010.

Petrominerales acquired a 55 percent interest in the 2.6 million acre Block 126 in the Ucayali Basin of Peru last November. In May, we received approval on the Environmental Impact Assessment from the Peruvian government relating to Block 126 in the Ucayali Basin of Peru. We have planned an exploration program that will include the acquisition of 150 km² of 3D seismic and 50 kilometres of 2D seismic, which is likely to commence later this year or in early 2010, depending on the timing of approvals. Initial activities on the block included the reinterpretation of 1,200 kilometres of 2D seismic, which has been completed and confirmed a large anomaly, the La Colpa structure, which was encountered by a well drilled on the block 20 years ago. Initially, two other structural leads have also been identified from the existing reprocessed 2D seismic. The first exploration well on the block could be drilled in late 2010.

***Non-GAAP Measures.** This report contains financial terms that are not considered measures under Canadian generally accepted accounting principles (“GAAP”), such as funds flow from operations, funds flow per share, net debt and operating netback. These measures are commonly utilized in the oil and gas industry and are considered informative for management and shareholders. Specifically, funds flow from operations and funds flow per share reflect cash generated from operating activities before changes in non-cash working capital. Management considers funds flow from operations and funds flow per share important as they help evaluate performance and demonstrate the Company’s ability to generate sufficient cash to fund future growth opportunities and repay debt. Net debt is used to evaluate financial leverage and includes bank debt plus the principal amount of convertible debentures and accounts payable and accrued liabilities, less current assets. Management considers operating netback important as it is a measure of profitability per barrel of production. Funds flow from operations, funds flow per share, net debt and operating netbacks may not be comparable to those reported by other companies nor should they be viewed as an alternative to cash flow from operations, net income or other measures of financial performance calculated in accordance with GAAP.*

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, financial results 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.

Petrominerales Ltd. is a Latin American-based exploration and production company producing oil in Colombia with 16 exploration blocks covering a total of 1.9 million acres in the Llanos and Putumayo Basins and 2.6 million acres in the Ucayali Basin of Peru. Petrominerales is currently 67% owned by Petrobank Energy and Resources Ltd. (TSX: PBG).

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