



PETROMINERALES

A PETROBANK COMPANY

PRESS RELEASE

PETROMINERALES TO ACQUIRE PANANDEAN RESOURCES PLC

Bogotá, Colombia – December 9, 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 that we have agreed to acquire all of the outstanding shares of PanAndean Resources PLC (“**PanAndean**”) (AIM:PRE) by way of scheme of arrangement (the “**Scheme**”), to be completed in accordance with the United Kingdom Companies Act 2006.

Pursuant to the Scheme, PanAndean will transfer all of their non-Colombian and non-Peruvian assets into Hydrocarbon Exploration PLC, a 100% owned public limited company incorporated in England. Petrominerales has offered to buy the shares of PanAndean from the existing shareholders of PanAndean for £0.15 and one (1) share of Hydrocarbon Exploration PLC for every one (1) PanAndean share held. The cash consideration payable by Petrominerales, in the aggregate, is approximately £18.7 million (US\$31.1 million) before expenses.

Upon successful completion of the transaction, Petrominerales will own 100% of PanAndean, whose assets will be the exploration interests in Colombia and Peru, and the existing shareholders of PanAndean will have received £0.15 per PanAndean share, plus a pro rata number of shares of Hydrocarbon Exploration PLC.

The Scheme is subject to customary approvals, including approval by the High Court of Justice of England and Wales and PanAndean shareholder approval at PanAndean’s Extraordinary General Meeting, expected to be held in early February 2010. The Board of Directors of PanAndean unanimously recommends that PanAndean shareholders vote in favour of the Scheme. All of the directors and officers of PanAndean have entered into lock-up agreements with Petrominerales to vote their PanAndean shares in support of the Scheme.

An implementation agreement setting out the terms and conditions of the Scheme has been entered into by PanAndean and Petrominerales. The implementation agreement contains customary non-solicitation provisions and provides that a fee of £500,000 will be payable by PanAndean to Petrominerales if the Scheme does not proceed for reasons relating to PanAndean and a fee of £120,000 payable by Petrominerales to PanAndean if the Scheme does not proceed for reasons relating to Petrominerales. The transaction is expected to close in February 2010. RBC Capital Markets acted as financial advisor to Petrominerales in connection with the transaction.

Upon successful completion of the transaction, Petrominerales will acquire four additional exploration blocks in Peru consisting of 6.7 million gross acres (2.6 net acres) with approximately US\$30 million of exploration costs that will be funded on behalf of Petrominerales by existing joint venture partners, and one exploration block in Colombia consisting of 87,383 acres.

PanAndean’s assets to be acquired by Petrominerales

Antorcha Block, Middle Magdalena Basin, Colombia

- 100% working interest in 87,383 acres.
- Close proximity to proven heavy oil fields.
- Current phase exploration commitment is to drill one exploration well by the end of May 2010 at an expected cost of \$2 million.

Block 114, Ucayali Basin, Peru

- 30% working interest in 1.8 million acres contiguous with our existing Block 126.
- Partners will pay Petrominerales' share of initial seismic work, the first exploration well, and 50% of our costs for the second exploration well.
- The Block operator recently completed 200 kilometres of 2D seismic and expects to drill the first well on the block in late 2010 or early 2011.

Block 131, Ucayali Basin, Peru

- 30% working interest in 2.45 million acres, near Block 126.
- Partners will pay Petrominerales' share of initial seismic work, first exploration well, and 50% of our costs for the second exploration well.
- The Block operator is planning to shoot 300 kilometres of 2D seismic and expects to drill the first well on the block in late 2011 or early 2012.

Block 161, Ucayali Basin, Peru

- 100% working interest in 1.22 million acres northwest of our Block 126.
- Current phase work commitments include a geological and geophysical report from the evaluation of existing data and reprocessing of 2D seismic by June 2012.

Block 141, Titicaca Basin, Southern Peru

- 10% working interest with a right to back-in for 20% at time of commerciality in 1.28 million acres.
- Partners will pay Petrominerales' share of initial 300 kilometres 2D seismic program scheduled for 2010, and first exploration well that could be drilled in 2011.

Combining this acquisition with our existing 55% working interest in Block 126, Petrominerales will have the oil and gas exploration rights to a significant concentration of land in the relatively under-explored Ucayali Basin of Peru (7.8 million gross acres), under very competitive fiscal terms. In Colombia, the addition of the Antorcha block provides Petrominerales with a further heavy oil exploration opportunity in an area close to infrastructure in the Middle Magdalena Basin.

Petrominerales Ltd. is a Latin America-based exploration and production Company producing oil in Colombia with 14 exploration blocks covering a total of 1.8 million acres in the Llanos and Putumayo Basins and 2.6 million gross acres in the Ucayali Basin of Peru. Petrominerales is 67% owned by Petrobank Energy and Resources Ltd. (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 proposed acquisition of PanAndean by Petrominerales and the terms of conditions Scheme. 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: shareholder approval of the Scheme, 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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