



PETROMINERALES

A PETROBANK COMPANY

PRESS RELEASE

PETROMINERALES PROVIDES UPDATE ON PANANDEAN ACQUISITION

Bogotá, Colombia – February 26, 2010 – Petrominerales Ltd. (“**Petrominerales**” or the “**Company**”) (TSX:PMG), a 66% owned subsidiary of Petrobank Energy and Resources Ltd. (TSX:PBG), is pleased to provide an update with respect to our previously announced acquisition of 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.

PanAndean today announced that the Scheme document, setting out the details of the proposals and procedures to be followed to approve the Scheme, has been mailed to all PanAndean shareholders. The Court application and General PanAndean Shareholders Meeting to approve the Scheme will be held on March 22, 2010 in London, United Kingdom. It is expected that the Scheme will be completed and effective in early April 2010, assuming PanAndean shareholder approval.

Under the Scheme, Pan Andean Shareholders will receive £0.15 in cash and one (1) Hydrocarbon Exploration plc (“**HydroCarbon**”) share for every one (1) Pan Andean share held. The aggregate cash consideration payable by Petrominerales to PanAndean shareholders is £18.7 million. HydroCarbon is a newly formed company into which Pan Andean will transfer its North American and Bolivian assets and liabilities prior to closing of the Scheme. All of PanAndean’s exploration interests in Colombia and Peru will remain in PanAndean and be acquired by Petrominerales.

The Board of Directors of PanAndean unanimously recommends that Pan Andean Shareholders vote in favour of the Scheme at the General PanAndean Shareholders Meeting. The directors and officers of PanAndean have irrevocably agreed to vote all of their Pan Andean shares in favour of the Scheme, representing 11.4% of the outstanding shares of PanAndean.

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) and one exploration block in Colombia consisting of 87,383 acres. 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, under 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 66% owned by Petrobank Energy and Resources Ltd. (TSX: PBG).

Forward-Looking Statements. Certain information provided in this press release constitute 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 a proposed acquisition and future exploration opportunities. 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: PanAndean

shareholder approval of the proposed acquisition, 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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