



PETROMINERALES

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PRESS RELEASE

PETROMINERALES ANNOUNCES LIGHT OIL DISCOVERY ON THE CASTOR BLOCK AND PROVIDES AN OPERATIONAL UPDATE

Bogotá, Colombia – May 31, 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 operational update highlighted by successful test results from our Capybara-1 and Corcel-C2 oil wells in the Llanos Basin of Colombia.

The Capybara-1 well on our Castor Block is the second exploration well of our 13-well Central Llanos Basin exploration program. The well was cased as a potential oil well based on well logs that indicated 18 feet of potential net oil pay in two separate sands within the Carbonera C7 formation. We completed an initial testing program by swab-testing five intervals in the well. The upper Carbonera C7 swab-tested at an average rate of 400 bopd of 29 degree API oil, the lower Carbonera C7 swab-tested at an average rate of 600 bopd of 29 degree API oil and as previously announced, two of the remaining three intervals tested wet while a third interval swab tested at an average rate of 200 bopd of 30 degree API oil. We completed the well for production from the upper and lower portions of the Carbonera C7 formation and we conducted production tests designed to simulate normalized production operations using an electric submersible pump. Based on the most recent production tests, the well produced at rates of 660 bopd of 29 degree API oil at a water-cut of 87 percent. We are currently installing production facilities on-site and, by mid-June, we expect to place the well on long-term production test.

The third well of our Central Llanos Basin exploration program, Cerillo-1 on our Casanare Este block, reached total measured depth of 9,580 feet on April 19, 2010 and the well was cased as a potential oil well based on indications of hydrocarbons encountered during drilling operations. A completions rig has been mobilized to the well-site to initiate a testing program. We expect test results by the end of June.

The next well in the Central Llanos exploration program, Mapana-1 on the Mapache Block, commenced drilling operations on May 13, 2010 and reached total measured depth of 8,220 feet on May 27, 2010. Well logs indicate potential net oil pay of 25 feet, consisting of 16 feet in the Carbonera C7 sands and nine feet in Guadalupe formation. Following casing operations on the Mapana-1 well, the drilling rig will move to Manzanillo-1, the next prospect on the Mapache Block.

Corcel & Guatiquia Blocks

The Corcel-C2 development well commenced drilling operations on April 13, 2010 and reached total measured depth of 13,750 feet on May 13, 2010. Well logs indicated 21 feet of potential net oil pay in the Lower Sand 1 formation and 14 feet of pay in the Guadalupe formation. The well is now producing over 3,000 bopd of 21 degree API oil at a 20 percent water-cut at a low initial pump speed and fluid rate. We plan to increase the frequency of the pump over the next week, increasing total fluid rates to an estimated 6,000 barrels of fluid per day.

The drilling rig is now moving to the Amarillo-1 location, the first of an initial ten exploration prospects to be drilled on the northeast portion of the Corcel Block. We expect to commence drilling operations on the well within two weeks. Following Amarillo, we plan to drill the Baco prospect. Please refer to our most recent corporate presentation at www.petrominerales.com for a map detailing our Corcel northeast drilling prospects.

A second drilling rig dedicated to the Corcel and Guatiquia region is expected to begin drilling the Boa-2 development well by mid-June.

Production Update

Production to-date during the month of May has averaged 44,411 bopd, and for the quarter-to-date has averaged 47,086 bopd, a 23 percent increase over the first quarter production of 38,199 bopd. May production is lower than the April monthly average of 49,587 bopd mainly due to natural production declines and certain Corcel wells have been restricted or shut-in due to temporary limitations in our water handling capacity. We plan to restore our water handling capacity by performing workovers on existing water disposal wells and drilling new disposal wells.

Petrominerales Ltd.

Petrominerales Ltd. is a Latin America-based exploration and production company producing oil in Colombia with 15 exploration blocks covering a total of 1.9 million acres in the Llanos and Putumayo Basins and five exploration blocks in Peru covering a total of 9.4 million gross (5.2 million net) acres in the Ucayali and Titicaca Basins. Petrominerales is 66% 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 timing of capital projects and production and drilling results. 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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