

JOINT PRESS RELEASE

PETROBANK AND PETROMINERALES ANNOUNCE SHAREHOLDER APPROVAL OF REORGANIZATION

Calgary, Alberta – December 17, 2010 – Petrobank Energy and Resources Ltd. (“**Petrobank**”) (TSX: PBG) and Petrominerales Ltd. (“**Petrominerales**”) (TSX: PMG), a 65% owned subsidiary of Petrobank, are pleased to announce that our proposed corporate reorganization (the “**Reorganization**”), which will result in Petrobank shareholders receiving Petrobank’s proportionate interest in Petrominerales, has been approved by the shareholders of each of Petrobank and Petrominerales and has received final approval of the Court of Queen’s Bench of Alberta. The Reorganization will result in a newly incorporated company (“**New Petrominerales**”) acquiring all of the shares of Petrominerales, and shareholders of Petrobank and Petrominerales receiving shares of New Petrominerales. Petrominerales will seek final approval of the Supreme Court of Bermuda (the “**Bermuda Order**”) on Monday, December 20, 2010 and the parties anticipate receiving a final tax ruling from the Canada Revenue Agency (the “**Tax Ruling**”) by December 21, 2010.

Assuming the Bermuda Order and the Tax Ruling are each obtained in form satisfactory to us and all other conditions to the Reorganization are completed, we anticipate the Reorganization will become effective on December 31, 2010, such that Petrobank shareholders of record as at December 31, 2010 will be entitled to receive approximately 0.615 of a share of New Petrominerales for each Petrobank share held. The ex-distribution date for all Petrobank shares to commence trading without the entitlement to receive New Petrominerales shares would be December 29, 2010.

Petrobank Energy and Resources Ltd. is a Calgary-based oil and natural gas exploration and production company with operations in western Canada and Latin America. The Company operates high-impact projects through three business units and a technology subsidiary. The Canadian Business Unit, operated by Petrobank’s 59% owned TSX-listed subsidiary, PetroBakken Energy Ltd. (TSX:PBN), is an oil and gas exploration and production company combining light oil Bakken and Cardium resource plays with conventional light oil assets, delivering industry leading operating netbacks, strong cash flows and production growth. PetroBakken is applying leading edge technology to a multi-year inventory of Bakken and Cardium light oil development locations, along with a significant inventory of opportunities in the Horn River and Montney gas resource plays in northeast BC. PetroBakken’s strategy is to deliver accretive production and reserves growth, along with an attractive dividend yield. The Latin American Business Unit, operated by Petrominerales Ltd. (TSX:PMG), is a Latin America-based exploration and production company producing oil in Colombia with 15 exploration blocks covering a total of 2.0 million acres in the Llanos and Putumayo Basins and five exploration blocks in Peru covering a total of 9.5 million gross (5.4 million net) acres in the Ucayali and Titicaca Basins. Whitesands Insitu Partnership, a partnership between Petrobank and its wholly-owned subsidiary Whitesands Insitu Inc., owns 104 net sections of oil sands leases in Alberta, 36 sections of oil sands licenses in Saskatchewan and 4 net sections of petroleum and natural gas rights in Kerrobert, Saskatchewan, and operates the Whitesands project which is field-demonstrating Petrobank’s patented THAI[®] heavy oil recovery process. THAI[®] is an evolutionary in-situ combustion technology for the recovery of bitumen and heavy oil that integrates existing proven technologies and provides the opportunity to create a step change in the development of heavy oil resources globally. THAI[®] and CAPRI[®] are registered trademarks of Archon Technologies Ltd., a wholly-owned subsidiary of Petrobank Energy and Resources Ltd., for specialized methods for recovery of oil from subterranean formations through in-situ combustion techniques and methodologies with or without upgrading catalysts. Used under license by Petrobank Energy and Resources Ltd.

Forward-Looking Statements. Certain information provided in this press release constitutes forward-looking statements. Specifically, this press release contains forward-looking statements relating to the terms of and timing for completion of the Reorganization. Forward-looking statements are necessarily based upon assumptions and judgements with respect to the future including, but not limited to, assumptions that the Bermuda Order and Tax Ruling will be received on terms satisfactory to us and within anticipated timelines. 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 known and unknown risks and uncertainties, including but not limited to risks that the Bermuda Order and Tax Ruling will not be granted by applicable regulatory authorities or that other conditions to the Reorganization will not be satisfied. The receipt of regulatory approvals and the satisfaction of other conditions to the Reorganization are beyond the control of Petrobank and Petrominerales. There is no representation by Petrobank or 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, neither Petrobank nor Petrominerales assumes any 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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