



PETROMINERALES

A PETROBANK COMPANY

PRESS RELEASE

PETROMINERALES UPDATES 2011 CAPITAL PROGRAM

Bogotá, Colombia – December 14, 2010 – Petrominerales Ltd. (“Petrominerales” or the “Company”) (TSX:PMG), a 65 percent owned subsidiary of Petrobank Energy and Resources Ltd. (“Petrobank”)(TSX: PBG), is pleased to confirm our 2011 capital and strategic plan (“2011 Program”). The 2011 Program will provide our shareholders with exposure to an unparalleled exploration portfolio in Colombia and Peru. The 2011 Program will be fully-funded through our strong cash flows and existing cash balances and includes:

- A two rig drilling program on our Corcel, Guatiquia and Block 31 acreage with up to 16 wells targeting the Corcel-type prospects that have fueled the majority of our production growth over the past three years;
- Drilling two potentially high impact wells targeting large hydrocarbon accumulations on our foothills acreage on trend with existing discoveries;
- Continued exploration drilling on our heavy oil acreage along with appraisal work on our existing discoveries to advance commercialization plans;
- The start of a multi-well exploration drilling program in Peru;
- Follow-up drilling and rapid commercialization of our Yenac discovery on our Central Llanos acreage;
- Drilling up to 33 development locations on our Neiva and Orito Blocks; and
- A significant investment in our land base with the acquisition of over 1,300 square kilometres of high quality 3D seismic.

For further detail in connection with our operational update and 2011 Program, please refer to our most recent corporate presentation on our website at www.petrominerales.com.

COLOMBIA BLOCKS

Deep Llanos - Corcel, Guatiquia and South Block 31, Llanos Basin

In this region of the basin, we have extensive high quality 3D seismic coverage on our land base and have over 50 Corcel-type prospects currently in inventory. We plan to keep two drilling rigs operating continuously in the area through 2011 and drill up to 16 wells, including our first exploration wells on Block 31.

We have just completed the acquisition of 148 square kilometers of 3D seismic over the entire Guatiquia Block and we expect to have the processing and initial interpretation completed in the first quarter of 2011. We now have 580 square kilometers of continuous 3D seismic coverage extending from Guatiquia through Corcel and the south part of Block 31.

We are currently drilling three exploration wells in the area, Yatay-1, Cardenal-1 and Celeste-1. The Yatay-1 well is targeting a separate structure from Candelilla on the Guatiquia Block, and we expect to have drilling results from this well by year-end. We began drilling the Cardenal-1 prospect on the Corcel Block on December 6, 2010, and expect to have results from this well by the end of January. We temporarily have a third drilling rig operating in the area that commenced drilling Celeste-1 on December 9, 2010. We expect to have results by the end of January, and after Celeste-1, we plan to move this rig to our Central Llanos acreage.

Llanos Foothills (Blocks 31, 25, 59, 15)

Two exploration wells and over 500 square kilometres of 3D seismic are planned on these blocks in 2011. The two wells planned for Block 25 are targeting two separate prospects at depths between 16,000 to 18,000 feet, with drilling operations to begin in mid-2011. These wells are located on our acreage trending south from one of the largest oil and gas fields in Colombia, the Cusiana-Cupiagua complex. The prospectivity of this trend has been demonstrated with the recent Huron and Canaguro discoveries.

We are planning two 3D seismic acquisition programs in 2011. The first, on Block 31, is 239 square kilometres with the objective of helping define additional Corcel-type prospectivity, as well as a large overthrust feature identified on the north western portion of the block. The second is a 303 square kilometre program planned for Block 59 during the last half of 2011. Block 59 is near the existing Apiay and Castilla oil fields, that have proven heavy oil reserves of up to 800 million barrels.

Central Llanos Blocks (Casimena, Castor, Casanare Este, Mapache)

In 2011, we plan to acquire over 400 square kilometres of 3D seismic on our central Llanos blocks and to keep one drilling rig active that could drill up to 12 wells in the Central Llanos region.

On our Casimena Block, we plan to expand our facilities to handle 50,000 barrels of fluid per day and drill up to six additional wells on our Yenac discovery. With a successful test from our recently announced Mantis discovery, up to two follow-up wells could be drilled. The drilling rig is currently moving to Yenac-3 and we expect to begin drilling operations next week.

On our Mapache Block, we plan to recommence our exploration program in the first quarter of 2011 starting with the Disa prospect. We are also planning to acquire over 150 square kilometers of 3D seismic over the southern portion of the block.

On our Castor and Casanare Este blocks we are planning to acquire an additional 270 square kilometers of 3D seismic in 2011. On the Castor Block, we have reinterpreted our existing 3D seismic dataset incorporating the Capybara-1 well results. Based on this evaluation, a second Capybara well can be drilled updip from the initial discovery well which could then lead to an expanded development opportunity.

Llanos Basin Heavy Oil Blocks (Rio Ariari, Chiguiro Oeste, Chiguiro Este)

In 2011, we plan to continue exploring our acreage through exploration drilling and 3D seismic acquisition programs. In addition, we plan to appraise our existing discoveries to be in a position to implement a commercial development later in 2011 or in 2012.

On our Rio Ariari Block, we are planning to drill the remaining five exploration wells from our initial nine-well program, targeting new exploration prospects and play-types that could result in the identification of multiple large resource opportunities. We also plan to acquire 372 square kilometres of 3D seismic over the western portion of the block. Ongoing exploration drilling and 3D seismic programs are expected to further delineate our Rio Ariari and Mochelo discoveries and put us in a position to implement a commercial development project later in 2011 or in 2012 that could incorporate the THAI™ technology. We are very encouraged by our recent Mochelo well results, including over 60 feet of net pay in one thick Mirador interval that tested at very high rates from this vertical well, which we expect can be further optimized through horizontal wells.

On December 2, 2010, we began drilling operations on Borugo-1, the next exploration well of our planned nine-well program on our Rio Ariari Block. We expect to have well results in early January. Borugo is targeting another new play concept, distinct from our Mochelo-1 and Rio Ariari-1 discovery wells.

On our Chiguiro Este and Oeste Blocks, we plan to acquire over 210 square kilometers of new 3D seismic to evaluate the Avellana-1 discovery and define additional prospectivity on the blocks. In addition, we plan to drill one exploration well on our Chiguiro Este Block.

Neiva

In 2011, we plan to keep one rig active drilling up to 24 development wells. In addition, we plan to expand the field's water handling and disposal capacity in the first quarter of 2011.

The Neiva field was discovered in the early 1960s and reached peak production in 1983 of approximately 7,300 bopd. With our recent successes drilling multi-frac wells and adding production from the Monserrate formation, we have increased the field's gross production to over 7,500 bopd. Our 2011 drilling program will continue to target higher deliverability wells in the Doima Chicoral and Monserrate formations as well as expanding water-flood projects to provide further enhanced recovery opportunities. We currently have a development drilling inventory of over 30 locations.

Putumayo Basin (Orito and Las Aguilas)

We are planning a multi-well development drilling program of up to nine wells that is expected to commence in the first quarter of 2011. In addition, we plan to acquire 50 square kilometres of 3D seismic to delineate the eastern flank and southern nose of the Orito field. We currently have a development drilling inventory of over 40 locations.

PERU BLOCKS

Block 126

We hold an 80 percent interest in Block 126. We plan to commence a multi-well exploration drilling program in the third quarter of 2011. We are currently completing the conceptual engineering work for the well locations and logistic bases, and expect to begin construction in February 2011.

Our drilling program is targeting two wells in the La Colpa area and one well on a different prospect defined off 2D seismic, Sheshea. A well drilled by a prior operator in a down dip position on the La Colpa structure encountered 23 degree API oil.

Blocks 114 and 131

Petrominerales holds a 30 percent working interest in blocks 114 and 131. On Block 131, the operator has initiated a 300 kilometre 2D seismic program and the first well could be drilled in 2012. On Block 114, the next exploration phase is expected to include a 260 kilometre 2D seismic program in 2011. The operator is responsible for our share of the costs under the current seismic exploration phase, as well our share of costs for the first exploration well on each block.

Block 161

Block 161, situated in east central Peru, is 1.2 million acres in size and is owned 80 percent by Petrominerales. Current commitments, to be completed by March 2013, include the acquisition of 350 kilometres of new 2D seismic data and an updated geological and geophysical report incorporating existing geological data and reprocessed seismic. In 2011, we plan to complete the required Environmental Impact Assessment study ("EIA") in advance of the seismic program.

Block 141

Block 141, situated in southern Peru, is 1.3 million acres in size and is owned 80 percent by Petrominerales. The Pirin field, situated on trend to the southeast of Block 141, produced approximately 300,000 barrels of light 36 degree API oil between 1875 and 1915, but little work has been done since. Current commitments, to be completed by May 2012, include the acquisition, processing and interpretation of 300 kilometres of 2D seismic. In 2011, we plan to complete the required EIA in advance of the seismic program.

OUTLOOK

Our 2011 Program will position us to be one of the most active explorers in Colombia focusing on higher impact exploration opportunities. We will continue to invest in our land base, acquiring over 1,300 kilometres of high quality 3D seismic to provide us the opportunity to grow our multi-year prospect inventory, which currently sits at over 100 drilling locations.

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 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. Petrominerales is 65 percent owned by Petrobank Energy and Resources Ltd. (TSX: PBG).

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 timing of capital projects and the future development of our oil and gas assets, including anticipated drilling, facility construction and seismic acquisition activities. The forward looking information is based on key expectations and assumptions made by Petrominerales, including assumptions concerning the success of future drilling activities, the performance of new and existing wells, prevailing commodity prices, availability of labour and services, receipt of required permits and regulatory approvals and performance of expected activities by industry partners. 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. A discussion of those risks and uncertainties can be found in the Company's Canadian securities filings. Such factors include, but are not limited to: general economic, market and business conditions; fluctuations in oil prices and the cost of services and materials; the results of exploration and development drilling, recompletions and related activities; availability of drilling equipment and personnel, 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 our control. 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.*

FOR MORE INFORMATION PLEASE CONTACT:

John D. Wright, Chairman of the Board and Strategic Advisor

Corey C. Ruttan, President and Chief Executive Officer

Jack F. Scott, Chief Operating Officer

Kelly D. Sledz, Chief Financial Officer

Telephone: 403.750.4400 or 011.571.629.2701



PETROMINERALES

A PETROBANK COMPANY

Calle 116 No. 7-15, Interior 2, Torre Cusezar, Piso 6, Bogotá, Colombia

Phone: 011.57.1.629.2701 or 403.750.4400 - Fax: 011.57.1.214.2226

E-mail: ir@petrominerales.com - Website: www.petrominerales.com

TSX: PMG