



# PETROMINERALES

A PETROBANK COMPANY

PRESS RELEASE

## **PETROMINERALES PROVIDES OPERATIONAL UPDATE HIGHLIGHTED BY MACAPAY-1 WELL ON PRODUCTION AT OVER 3,500 BOPD**

Bogotá, Colombia- Petrominerales Ltd. ("Petrominerales" or the "Company") (TSX:PMG) is pleased to provide an operational update highlighted by our Macapay-1 well placed on production at over 3,500 barrels of oil per day ("bopd") of 29 degree API oil.

### **Deep Llanos Basin (Corcel, Guatiquia and South Block 31), Colombia**

As previously announced, we drilled and cased Macapay-1, an exploration well in the northeast part of our Corcel Block. Well logs indicated 25 feet of potential net oil pay in the Lower Sand 1 formation. After testing two intervals, we placed the well on production. The well is currently producing on natural flow at over 3,500 bopd of 29 degree API oil with less than a one percent water cut.

In addition and also previously disclosed, we cased our Azalea-1 exploration well on our Guatiquia Block as a potential oil producer. In our first test of a Lower Sand 3 interval we measured 120 bopd of 24 degree API oil on natural flow. In addition, we tested 174 bopd of 13 degree API oil at two percent water cut from a Lower Sand 1 interval. We have completed our testing program and plan to place the well on production from these intervals with an electric submersible pump. Based on the productivity index experienced during testing, we expect that this well could be produced at approximately 1,000 bopd. We plan to have the well on production this week.

We currently have three rigs operating in the Corcel area drilling the Camoruco and Cobra locations on the Corcel Block and the Babaco prospect on the adjacent Block 31. We expect to have drilling results from each of these wells in July, and depending on the extent of our testing program, well test results in August.

### **Central Llanos Blocks (Casimena, Castor, Casanare Este, Mapache), Colombia**

On our Mapache block, we drilled the Disa-1 well during March and based on hydrocarbon shows while drilling, we cased the well as a potential oil producer. In the fourth of a planned six intervals tested to date we encountered non-commercial amounts of hydrocarbons. We plan to complete our testing program and have final results by the end of June.

To continue our Central Llanos program, we have contracted an additional rig that will start drilling the Zacay-1 exploration prospect on our Casimena Block in July.

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

We have one drilling rig operating on our heavy oil acreage. The sixth well in our nine-well Rio Ariari exploration drilling program, Acanto-1, was drilled to a total measured depth of 5,731 feet on April 14, 2011. Well logs indicate 52 feet of net oil pay in the Mirador formation. We conducted a multi-zone testing program and recovered trace amounts of hydrocarbons. In addition, while tripping out the bottom hole assembly we discovered that the drill string and bottom hole assembly were completely coated in heavy oil. We also encountered this with our Anturio, Acanto, Heliconia and Asarina wells. We are currently reviewing these results to design a testing protocol to effectively test these heavy oil zones.

Following Acanto, the rig moved to our Chiguiro Este Block and drilled our Azulejo-1 exploration prospect to satisfy an exploration work commitment. The Azulejo-1 was programmed to test a unique play concept with potentially a very large closure. We did not encounter measurable hydrocarbon pay in Azulejo and as a result we abandoned the well. The geological information that the well provided allows us to reinterpret our 3D seismic database and provides the opportunity for other play concepts with potentially large closures.

Following Azulejo, the rig moved back to the Rio Ari Block and commenced drilling operations on our Calandria-1 prospect. We expect to have results from this well in July.

### **Orito, Putumayo Basin Colombia**

On June 1, 2011, we mobilized a drilling rig to our Orito Block and commenced a seven well drilling program. The first well, Orito-194, is currently drilling and we expect to have the well on production by mid-July.

### **Neiva, Upper Magdalena Basin, Colombia**

During the last week of May, we mobilized a new drilling rig to our Neiva Block and recommenced our development drilling program. The new rig is better suited to drill high-angle slanted or deviated wells.

### **Production Update**

Production averaged 39,375 bopd for the month of May. As previously discussed in our May 11 operational update, there were certain wells offline during April and the first half of May that limited production. By May 13, all key wells were brought back on production, including the Candelilla-2 and Capybara-2 wells. To date in June, production averaged 40,725 bopd before near term production additions of Macapay-1 and Azalea-1.

Petrominerales Ltd. is an international oil and gas company operating in Latin America since 2002. Today, Petrominerales is the most active exploration company and the fourth largest oil producer in Colombia. Our high quality land base and multi-year inventory of exploration opportunities provides long-term growth potential for years to come.

### **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 Company's future exploration and development activities and the timing for bringing wells on production. The forward-looking statements are based on certain key expectations and assumptions, including expectations and assumptions concerning the availability of capital, the success of future drilling and development activities, the performance of existing wells, the performance of new wells, prevailing commodity prices and economic conditions, the availability of labour and services, the ability to transport and market our production, timing of completion of infrastructure and transportation projects, weather and access to drilling locations. 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; availability of transportation and offloading capacity, 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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