



a unique opportunity



Second Quarter Results
August 4, 2011

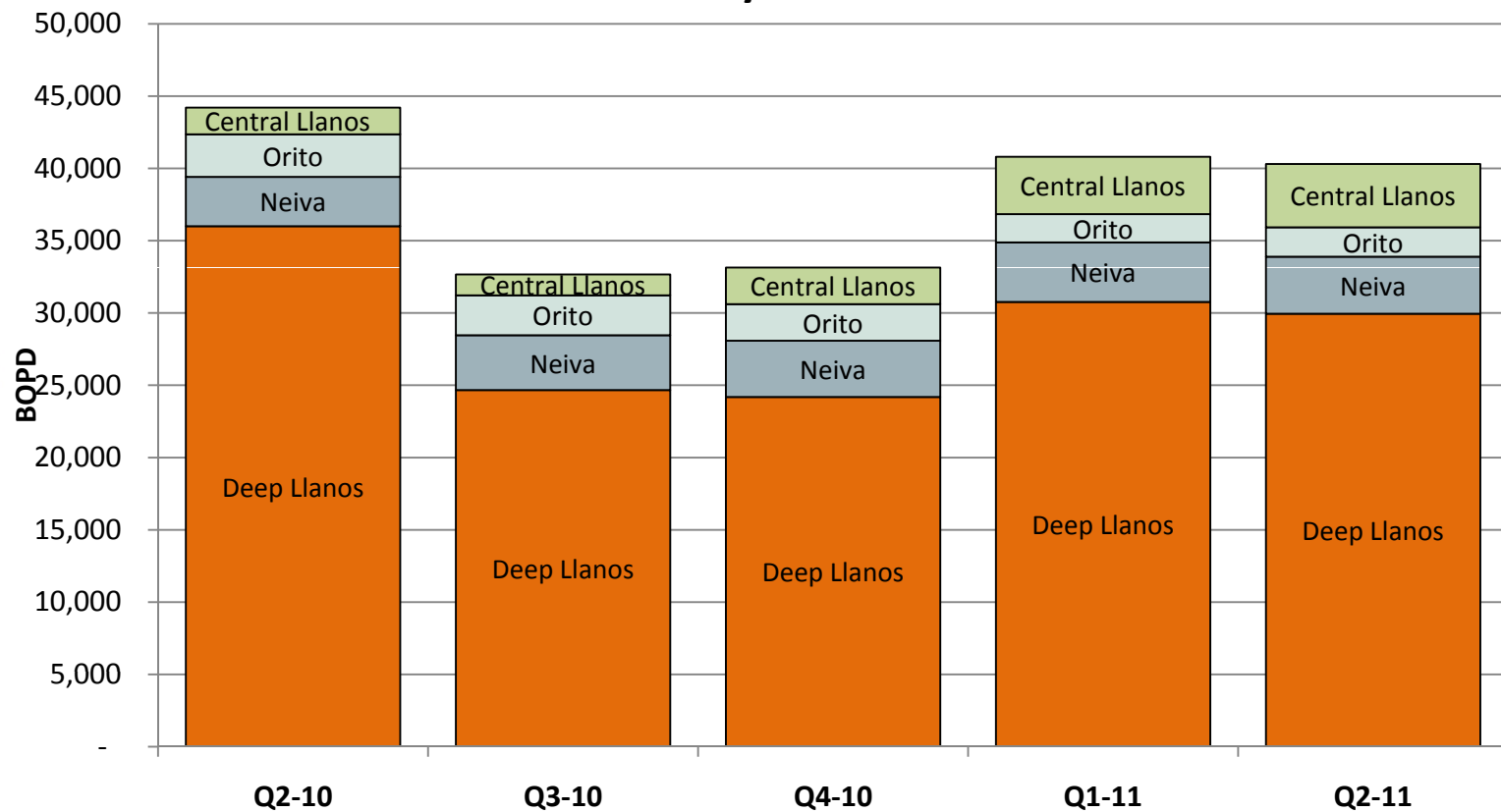
Cautionary Statements

Statements in this presentation may contain forward-looking statements including management's assessment of future plans, operations, expectations of future production and capital expenditures. Information concerning reserves may also be deemed to be forward-looking statements as such estimates involve the implied assessment that the resources described can be economically produced. These statements are based on current expectations that involve numerous risks and uncertainties, which will cause actual results to differ from those anticipated. These risks include, but are not limited to: the risks of the oil and gas industry (e.g. operational risks in exploration, development and production; potential delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), fluctuation in foreign currency exchange rates and commodity price fluctuation. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements. In addition, the THAI™/CAPRI™ processes and other technologies are early stage and future results may differ from those anticipated.

This presentation contains financial terms that are not considered measures under International Financial Reporting Standards ("IFRS"), such as funds flow from operations, funds flow per share and operating netback. These measures are commonly utilized in the oil and gas industry and are considered informative for management and shareholders. We evaluate our performance and that of our business segments based on cash flow from operations. Funds flow from operations is a non-IFRS term that represents cash generated from operating activities before changes in non-cash working capital. Management considers funds flow from operations and funds flow per share important as they help evaluate performance and demonstrate the Company's ability to generate sufficient cash to fund future growth opportunities and repay debt. Operating netback is determined by dividing oil sales less royalties, transportation and operating expenses by sales volume of produced oil. Management considers operating netback important as it is a measure of profitability per barrel sold and reflects the quality of production. Funds flow from operations, funds flow per share and operating netbacks may not be comparable to those reported by other companies nor should they be viewed as an alternative to cash flow from operations, net income or other measures of financial performance calculated in accordance with IFRS.

Production

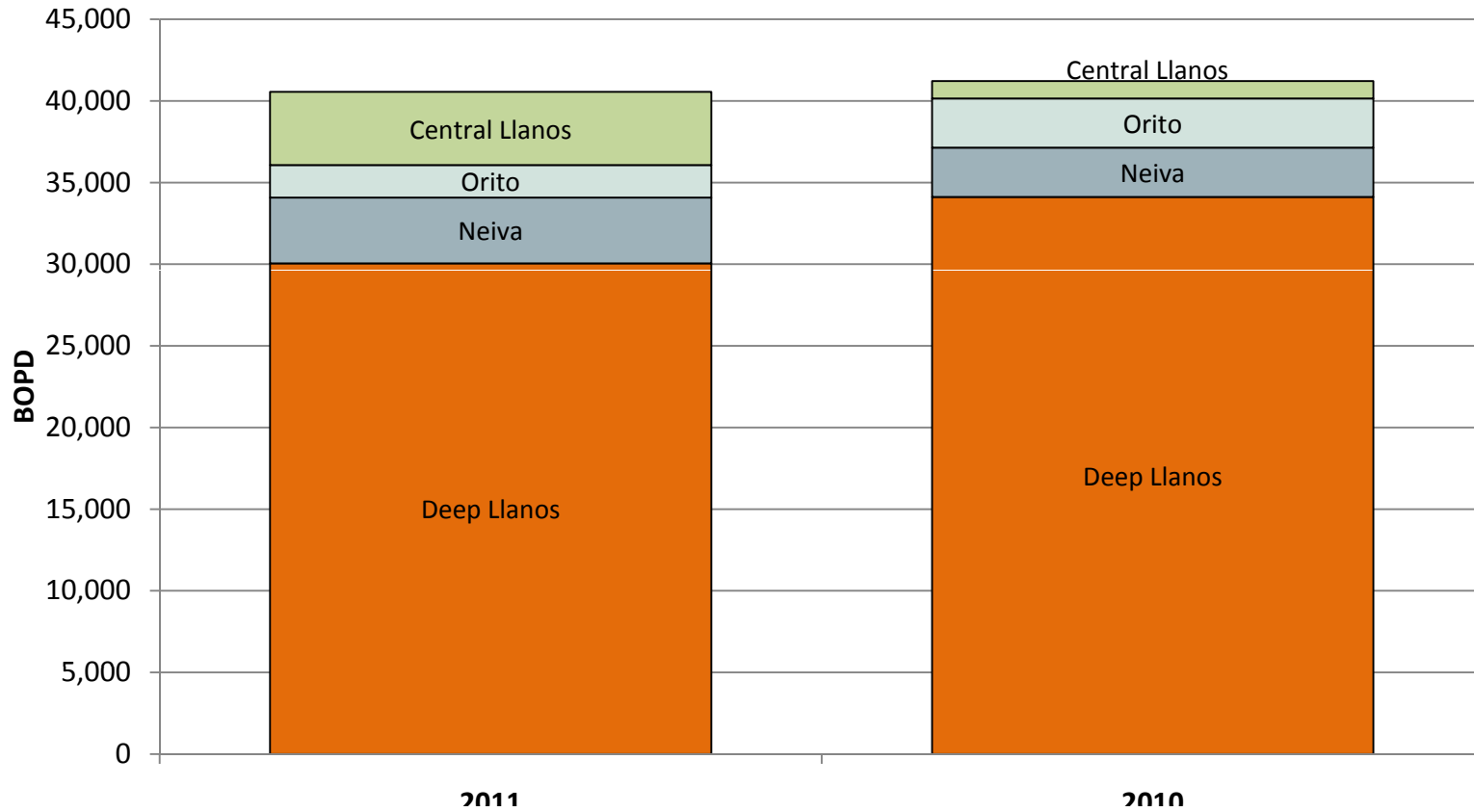
Quarterly Production



- Q2 production additions from Macapay and Capybara offset production declines and production losses from well work-overs compared to Q1 2011

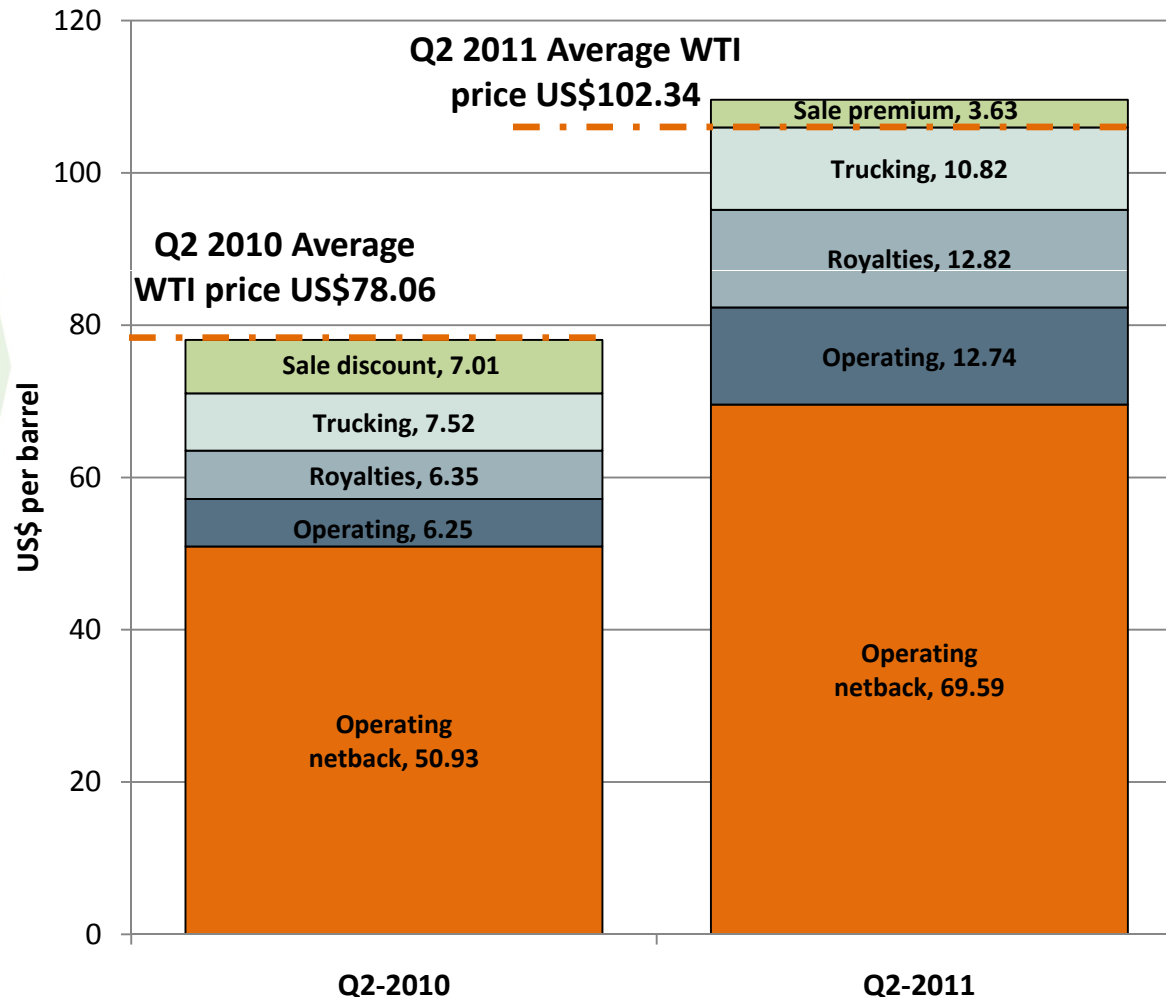
Production

Six Months Ended June 30



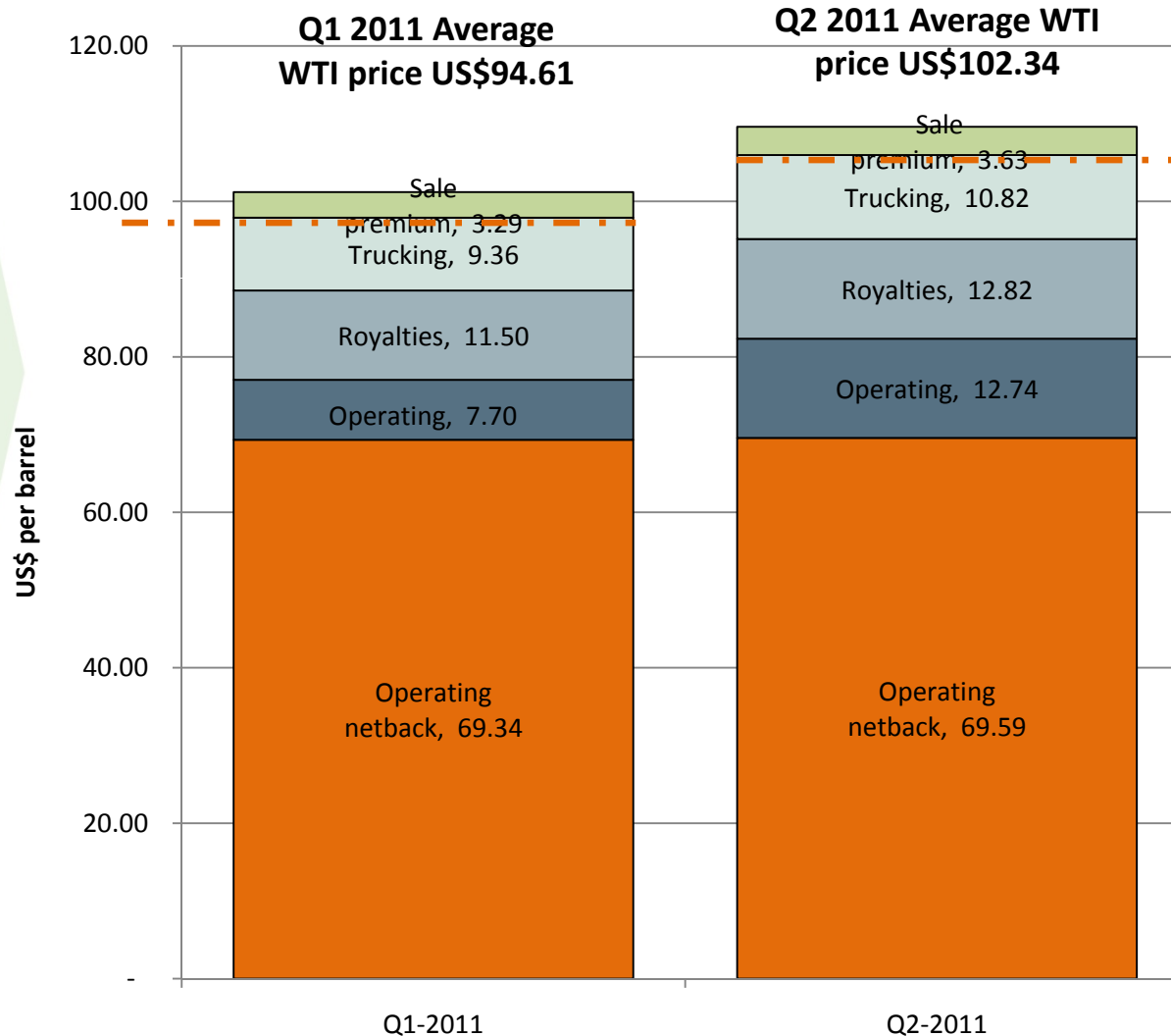
YTD 2011 production is comparable to 2010

Q2 2011 Operating Netback Compared to 2010



- › Q2 operating netback increased 37 percent due to higher world oil prices offset by higher royalties and operating costs
- › Selling our oil at a premium to WTI in 2011 compared to a discount in 2010 due to Brent – WTI differential

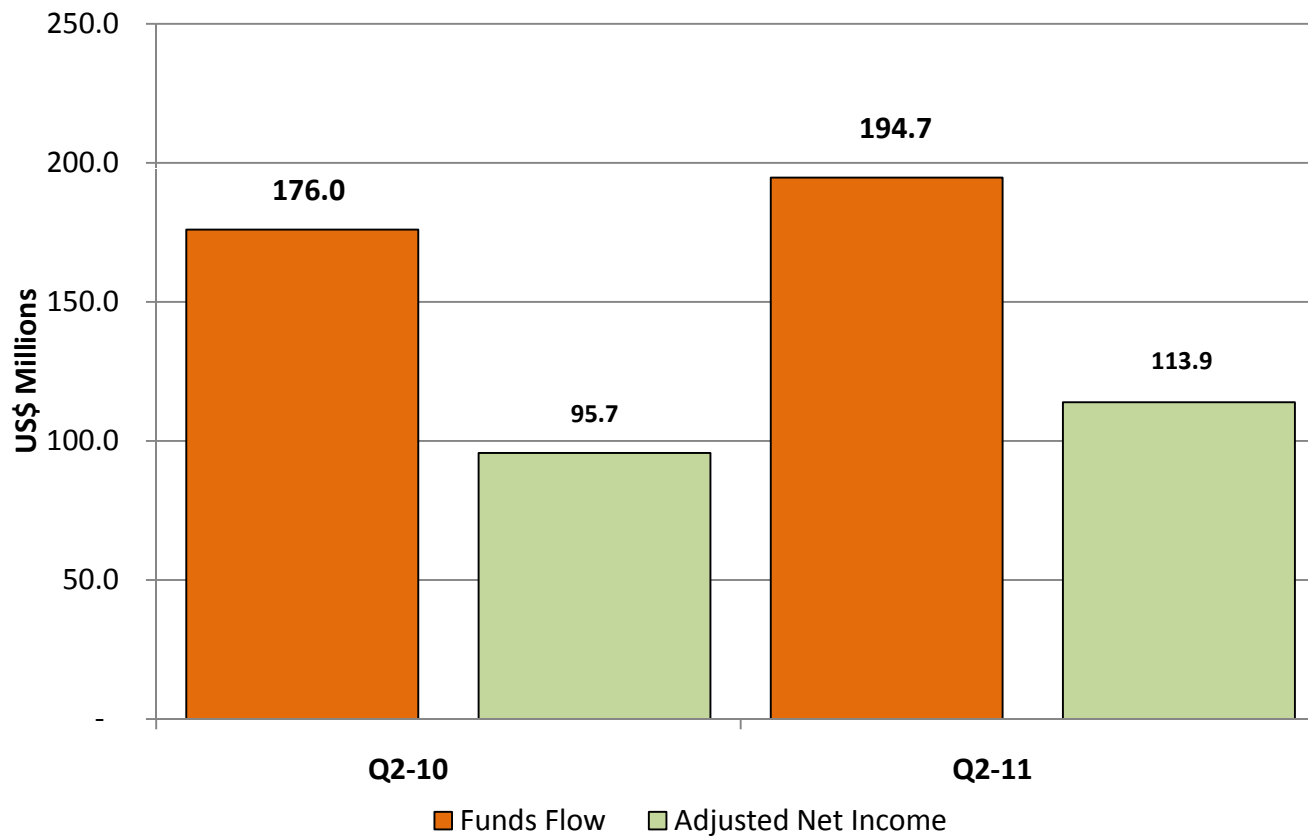
Q2 2011 Operating Netback Compared to Prior Quarter



- Q2 operating netback was consistent with Q1 2011
- Increases in world oil prices were offset by cost increases in trucking and operating costs

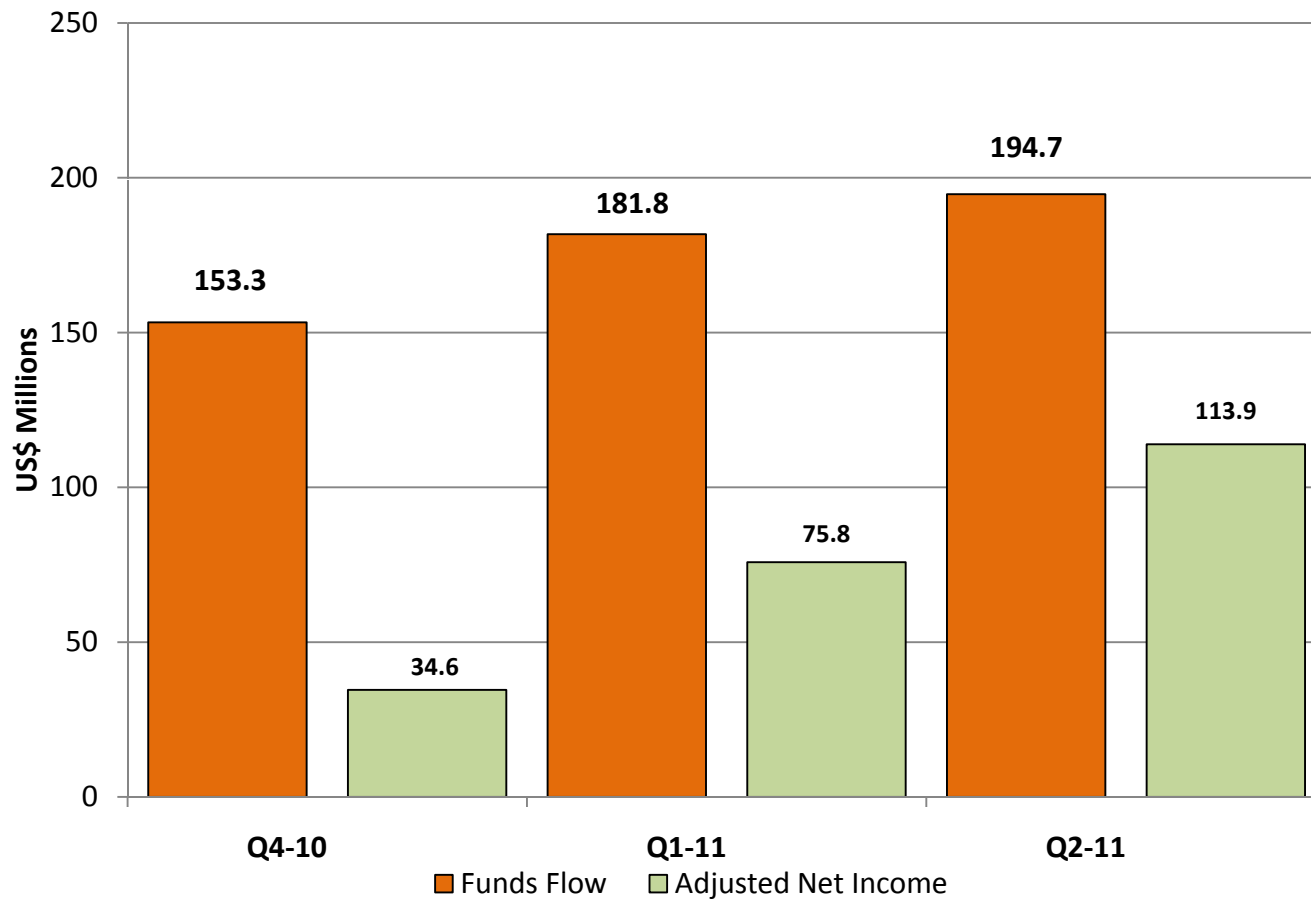
Funds Flow from Operations & Net Income

- Funds flow from operations and net income growing with production and oil prices



Funds Flow from Operations & Net Income

- Funds flow from operations and net income growing with production and oil prices



Other Financial Highlights

- › Capital expenditures were \$174.8 million in the quarter, or \$324.3 million for the six months ended
 - Drilled 12 wells plus 7 wells reached TD in July
 - Acquired 250 square km of 3D seismic
- › Commenced our normal course issuer bid near the end of June
 - To date we have repurchased and cancelled nearly 2 percent of our outstanding shares at an average price of Cdn.\$29.08 per share
- › Closed our 5 percent OCENSA acquisition on July 20, 2011
- › Balance sheet remains strong
 - Over \$200 million of working capital after OCENSA purchase and recent share buy-back
- › Shares commenced trading on the Colombia Stock Exchange August 3, 2011 under the symbol PMGC

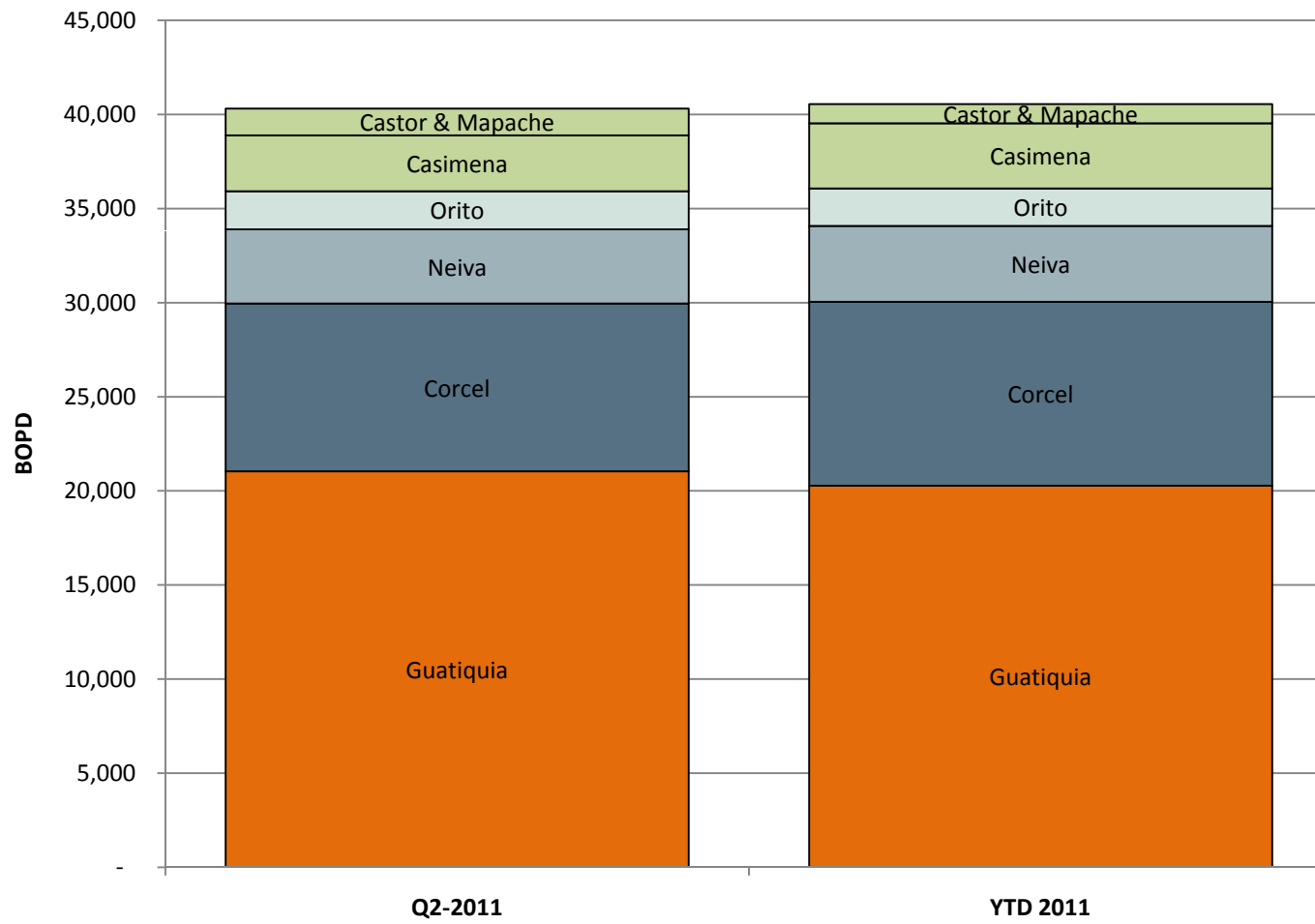
Operational Update

		Q1			Q2			Q3			Q4		
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Deep Llanos	Rig 1	Cardenal-1	Guatin-1	Macapay-1		Babaco-1 (B31)		Caspio-1 (B31)		B31		B31	
	Rig 2	Celeste-1				Cobra-1		Cobra-2		Corcel		Corcel	
	Rig 3	Candelilla-5		Azalea-1		Camoruco-1		Socaco-1 (B31)		B31		Corcel	
	Rig 4							Candellila-3 ST					
Central Llanos	Rig 1	Mant	Yenac-3	Disa-1	Capybara				Zacay-1	Pisingo-1	Yenac-8	Yenac-6	
Heavy Oil	Rig 1 Strat	Anturio-1	Heliconia-1	Acanto-1	Azulejo-1		Calandria-1	Totora-1	Borugo-2	Bora-1	Yarumo-1 HZ	RAA HZ	
									Initial 12 stratigraphic well program				
Foothills	Rig 1									Bromelia-1		Bromelia Test	
Peru	Rig 1									La Colpa 2X			

- › Drilled 6 exploration wells in the quarter; 19 wells year-to-date
- › Continue to be the most active explorer in Colombia

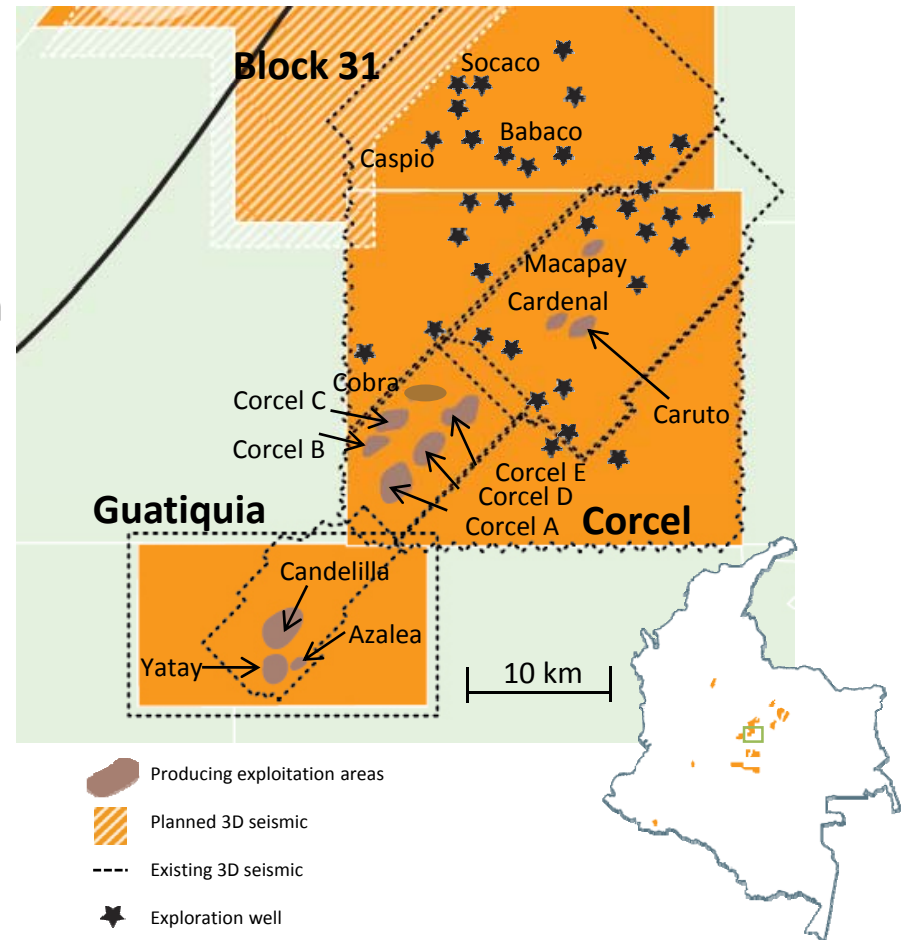
Operational Update

2011 Production



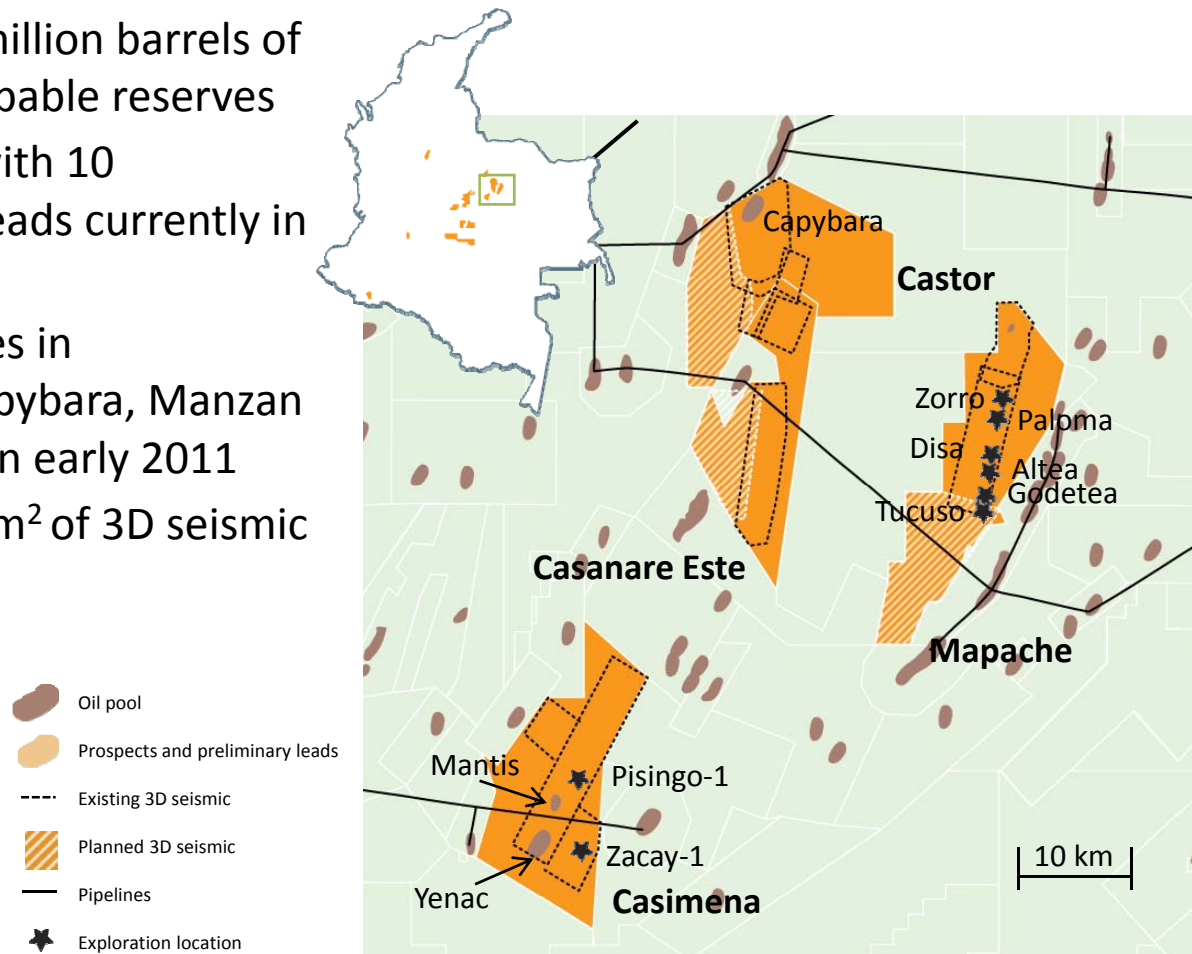
Corcel/Guatiquia/South Block 31

- › Discovered 48 million barrels of proved plus probable reserves
- › Significant prospect inventory
- › Caruto-1 discovery demonstrates prospectively in the northeast section of the block, well tested over 10,000 bopd of 31 degree API oil
- › Yatay-1 well drilled at the southwest section of the trend tested over 10,000 bopd of 43 degree API oil
- › Recent discovery, Cobra-1, on production at over 4,000 bopd of 16 degree API oil
- › Plan to drill up to 16 wells in 2011



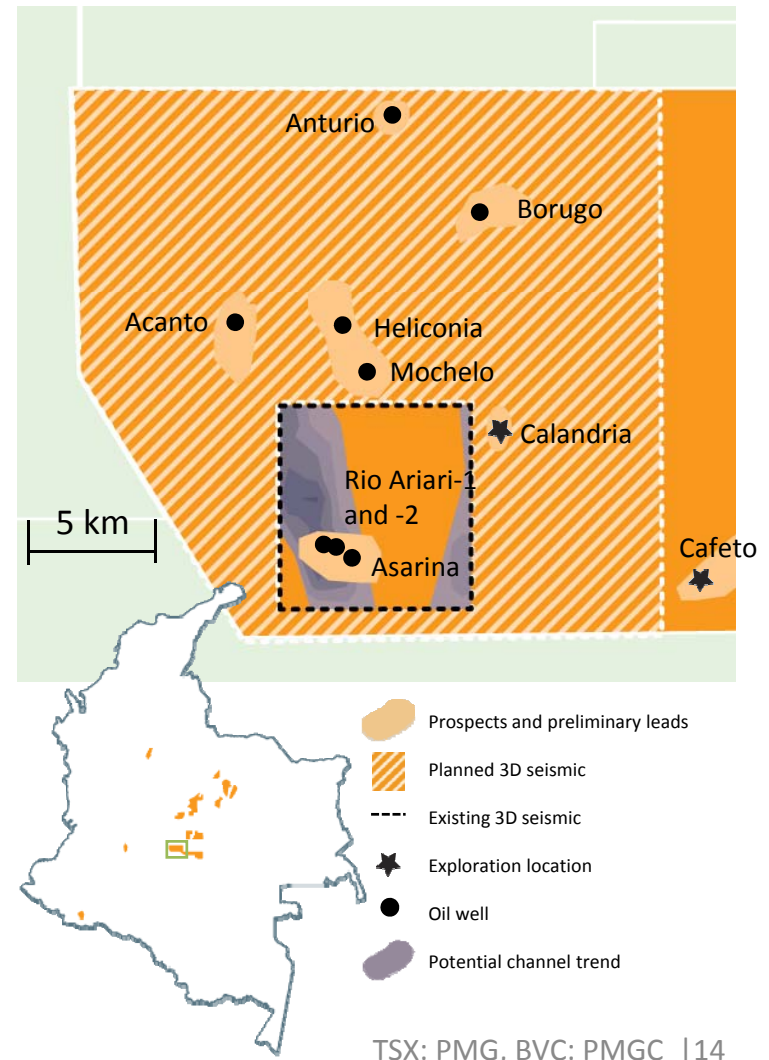
Central Llanos Exploration

- › Discovered 10 million barrels of proved plus probable reserves
- › 403,121 acres with 10 prospects and leads currently in inventory
- › Three discoveries in 2010, Yenac, Capybara, Manzanillo and Mantis in early 2011
- › Acquiring 424 km² of 3D seismic



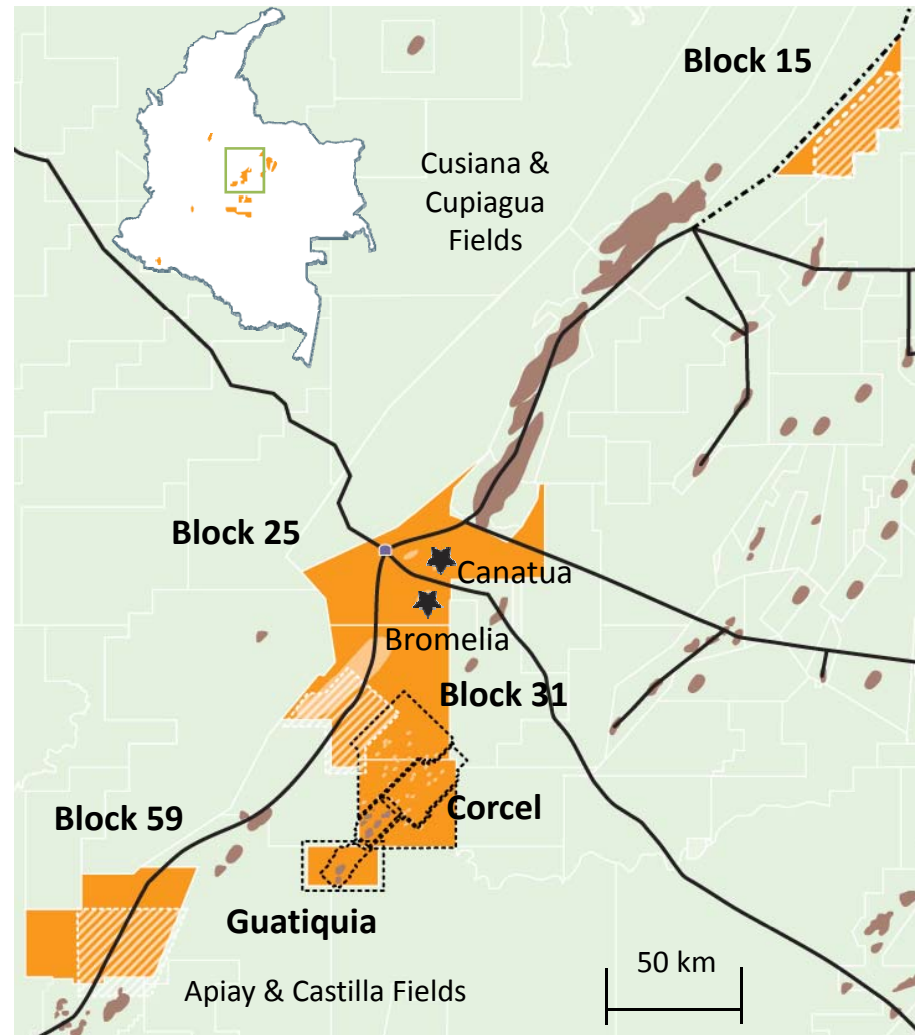
Rio Ariari

- 】 Drilled 8 successful exploration wells with between 15-79 feet of net oil pay
- 】 Three successful production tests in vertical wells:
 - Rio Ariari-1 tested 150 bopd of 12 degree API oil from 40 feet of net pay
 - Mochelo-1 tested over 600 bopd of 11 degree API with 69 net feet of pay
 - Heliconia-1 tested 176 bopd of 9 degree API with 15 feet of net pay
- 】 2011 work plan includes:
 - Testing horizontal well deliverability
 - Acquiring 396 km² of new 3D seismic
 - Drilling additional stratigraphic wells
 - Reservoir modelling and evaluate THAI™ applicability
- 】 Goal by year end is to define a large resource and develop a clear commercialization plan



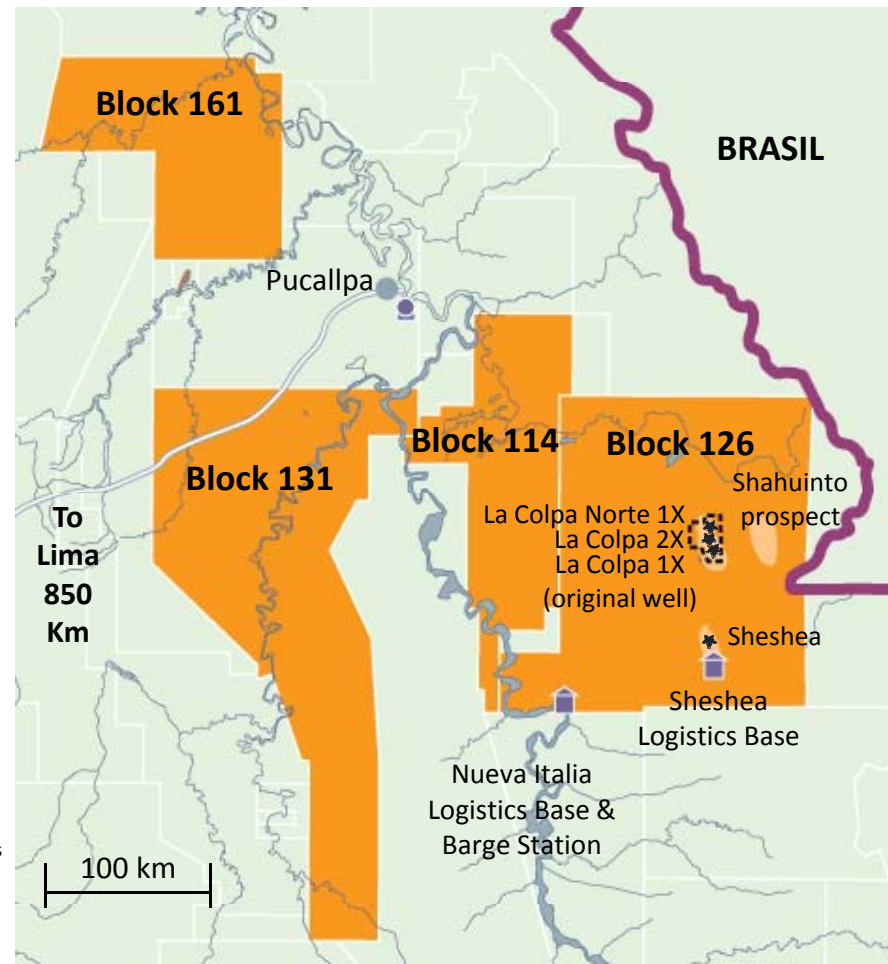
Foothills

- › Drilling two high impact wells starting in 2011 targeting significant hydrocarbon accumulations on trend with large, existing discoveries
- › Huron and Canaguro discoveries have demonstrated the prospectivity of this trend
- › Acquiring 643 km² of 3D seismic on Blocks 15, 31 and 59



Ucayali Basin, Peru

- Commencing an up to three-well exploration program in Peru in 2011
- Targeting La Colpa structure where a previous well discovered 23 degree API oil and Sheshea structure
- Rig contracted, major equipment sourced
- Civil construction underway



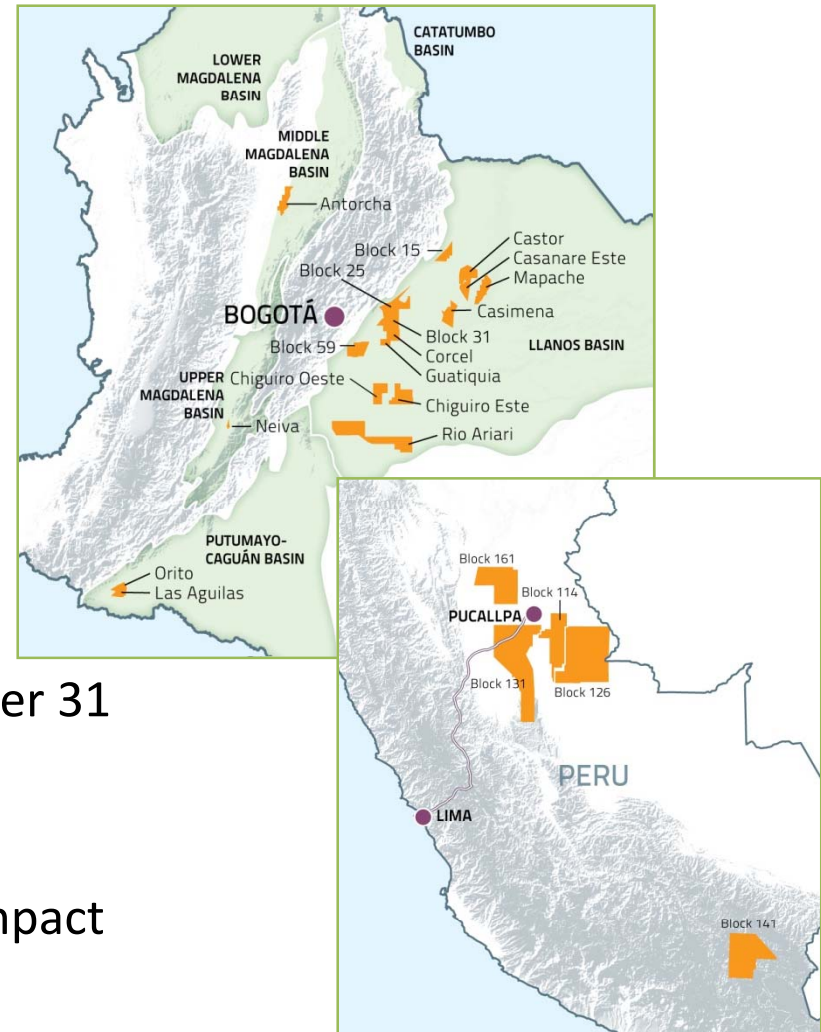
Colombia Pipeline Network

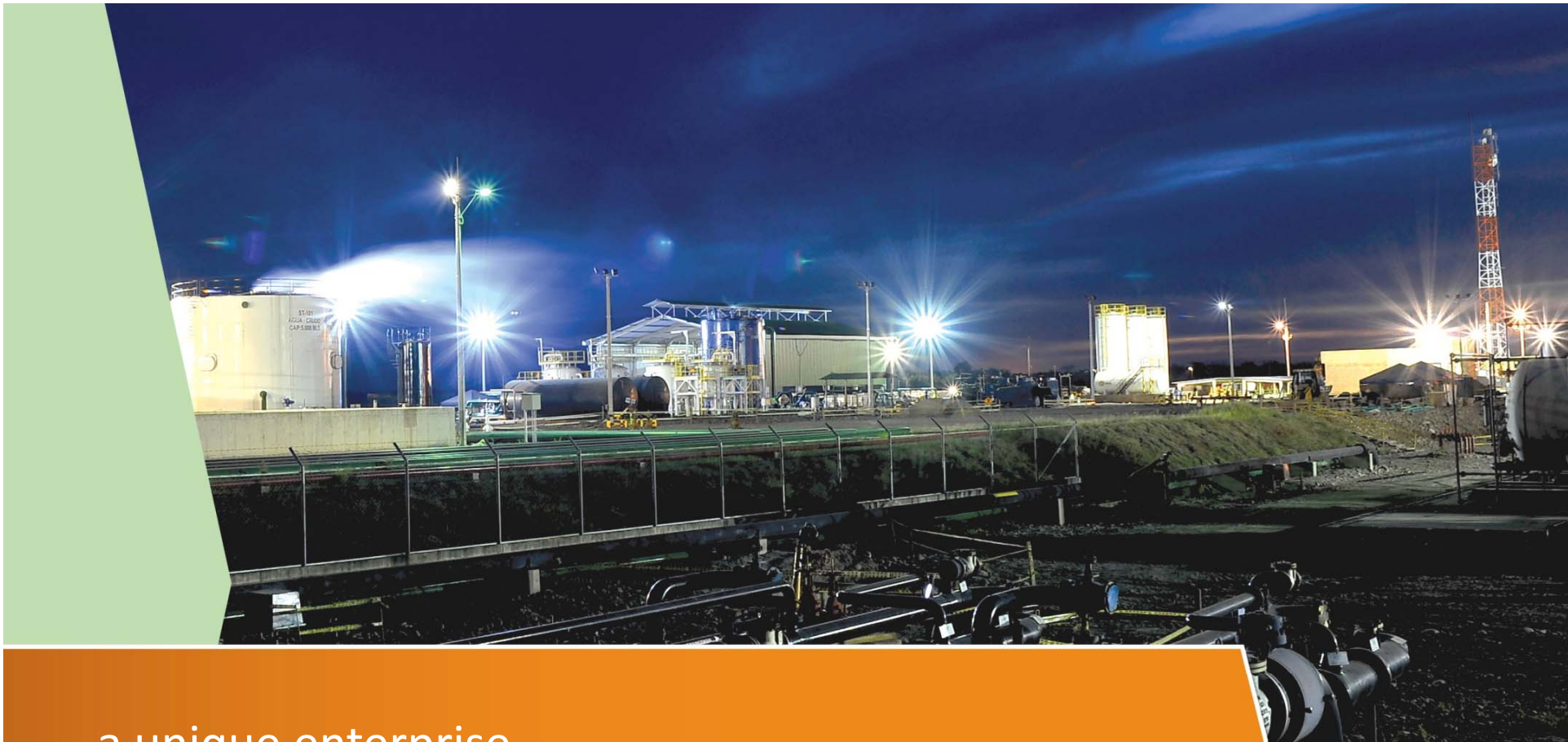
- › Near-term infrastructure projects underway to increase pipeline capacity:**
 - Bicentenario Pipeline (OBC) to add 120,000 bopd by Q2 2012; 450,000 bopd planned to be available in 2013/2014
 - Expansions on numerous gathering lines
- › PMG acquired 5% in strategic OCENSA pipeline**
 - Expect to realize average cost savings of \$10 per barrel shipped through the pipeline
- › PMG participating for 9.65% of OBC**
 - Phase 1 capacity of 12,000 bopd net to PMG by the end of Q1-2012 for \$100 million
 - Evaluating expansion of Cano Limon pipeline which would add 80,000 bopd in phase 1
 - Flexibility in electing on future phases
- › Trucking fleet expanding from 4,000 trucks**
- › Potential new pacific coast pipeline route**



The Opportunity

- › Yield plus high-impact exploration
- › Management team depth and experience
- › Proven success
- › High-value production base
- › Extensive, diversified drilling inventory
- › Strong balance sheet
- › Attractive valuation
- › Spun out from Petrobank December 31
- › Colombia stock exchange listing August 3, 2011
- › Commence drilling in new, high-impact area's during the last half of 2011





a unique enterprise



PETROMINERALES

TSX:PMG
www.petrominerales.com
ir@petrominerales.com