
30 September 2009

PetroLatina Energy Plc
("PetroLatina" or "the Company")

Interim Results for the six months ended 30 June 2009

PetroLatina delivers maiden interim profit before tax

Drill programme's 100% success rate to date will significantly increase production and reserves

PetroLatina, the oil and gas exploration and production company focused on Latin America, announces its unaudited interim results for the six months ended 30 June 2009.

Financial Highlights

- Revenues remained constant at \$4.5 million
- Operating profit increased by 109% to \$571,000 (2008: \$273,000)
- Maiden interim profit before tax of \$99,000 (2008: loss of \$408,000)
- Basic earnings per share of \$0.004 (2008: loss per share of \$0.016)
- First and increased second tranche of a convertible loan note for, in aggregate, \$11.165 million secured from a subsidiary of existing substantial shareholder Tribeca Oil & Gas Inc, of which \$9.875 million was subscribed during the period under review
- Total current liabilities of \$28.7 million (including \$9.875 million in respect of the convertible loan note)
- Cash at period end of \$4.2 million

Operational Highlights

- Average production increased 222% to 902 bopd net (2008: 280 bopd net)
- RZA pipeline average throughput increased by 17% to 3,669 bopd (2008: 3,134 bopd)
- The La Paloma block's first exploration well, Colon-1, proved successful. Total gross production over the 44 days to 30 June 2009 was 32,499 barrels at an average rate of approximately 739 barrels per day. Total gross production over the 95 days to 31 August 2009 was 55,931 barrels at an average rate of approximately 589 barrels per day.
 - Well results and recent 3D seismic are being used to re-map and determine the size of the discovery
- The Tisquirama Field saw three successful development wells drilled:
 - The Los Angeles-11 and Los Angeles-14 are both on stream. The gross production of Los Angeles 11 to 30 June 2009 was 13,993 barrels at an average rate of 178 barrels per day and to 31 August 2009 was 23,539 barrels at an average rate of 177 barrels per day. The gross production of Los Angeles 14 to 30 June 2009 was 13,994 barrels at an average rate of 203 barrels per day and to 31 August 2009 was 14,705 barrels at an average production rate of 191 barrels per day.
 - The Los Angeles-12 exploration well was producing from the Umir sand at an average rate of 57 bopd but was shut-in in August for a frac job. That frac job has subsequently proved to have been only partially successful. Production briefly increased to an average gross rate of 120 barrels per day before falling back to near the pre frac rate. An economic evaluation is therefore currently underway to determine whether it is more advantageous to produce the Umir sand, which has a relatively low production rate but in which the Company holds a larger interest, or whether a better financial result would be obtained by switching production to the oil bearing Lower Lisama formation which is expected to produce at approximately 200 barrels per day gross but in which the Company has a lower interest.

Post Period End Highlights

- Chuiria-1, the first exploration well on the Midas block, successfully logged and tested two pay zones. Production in this well decreased from 280 bopd to 40 bopd between 22 July 2009 and 25 August 2009 due to interpreted plugging of the producing perforations by either barite settling or gilsonite plugging and, for that reason a workover was planned to remove this restriction. The service rig is currently on location and the workover is expected to be completed within two weeks.
- The Colon-2 development well at La Paloma, adjacent to the Colon-1 discovery, has recently been completed and placed on a production test at an average rate of 664 bopd

Ongoing Work Programme

- Continued development of the Los Angeles field with two further development wells planned this year
- The work over of the Chuiria-1 discovery well is now in progress
- A further exploration well (Llamador-1) is planned on the La Paloma block once the location has been determined
- A second exploration well (Zoe-1) is planned on the Midas block in November
- Putumayo-4 continues to be in a planning and programme design stage for seismic acquisition
- The Serafín gas project is now expected to come on stream in the first quarter of 2010
- An updated independent reserves report has been commissioned and is expected to be completed by the year end

Luc Gerard, Executive Chairman of PetroLatina, commented:

“2009 will be the busiest year for development and exploration activity in PetroLatina’s history. With the drilling of at least eight wells planned for 2009 and a 100% success rate achieved for the six wells drilled to date, we are on track to deliver significantly increased production and reserves.

“Despite the lower oil price we are delighted to report a maiden pre-tax profit and expect profitability to continue to improve reflecting both increasing production and reduced corporate and operating costs.

“Our strategy now is to use the cash flow generated from production to progress those projects with the potential to provide the quickest returns.”

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A copy of PetroLatina’s interim financial statements is available from the Company’s registered office at Suite 2.3, 2nd Floor, Stanmore House, 29-30 St. James’s Street, London SW1A 1HB, registered company number 05173588 and is also available for download from the Company’s website at www.petrolatinaenergy.com.

PetroLatina Energy Plc
Chairman's Statement
For the period ended 30 June 2009

The first half of 2009 saw the Group deliver a marked improvement in its financial results in terms of achieving a maiden interim profit before tax. This was primarily as a result of the successful exploration programme which increased production.

It was unfortunate that the increased production volumes achieved coincided with a swift decline in the oil price during the first half of the year, and the lower oil price environment has led the Group to be particularly focused on cash management and efforts to improve cash flow from operations.

The drilling successes in the year to date have resulted in several significant prospects being identified, particularly on the La Paloma block which will now take priority in the Group's near-term plans, with expenditure targeted on the faster payout development opportunities existing there. The Group is currently undertaking a number of initiatives to apportion the cash flow generated from production to areas of the Group's portfolio that will provide quick returns, and whilst any petroleum production company remains at the mercy of the global oil price, PetroLatina has taken the necessary actions to remain on track to achieve both increased production and reserves in an industry that remains integral to the global economy.

Luc Gerard
Executive Chairman

29 September 2009

PetroLatina Energy Plc
Chief Executive Officer's Statement
For the period ended 30 June 2009

Overview

During the 6 month period under review, the Group performed relatively well despite the backdrop of a global economic recession and lower oil prices, achieving most of its financial targets. Revenue remained constant, but gross profit increased by approximately 6% and we delivered a maiden profit before tax of \$99,000 (2008: loss of \$408,000).

During the first half of 2009, PetroLatina successfully secured an increased \$6.29 million second tranche of a previously announced convertible loan note (the "Note") for an aggregate principal amount of \$11,165,000 from Tribeca Oil & Gas Financing Inc., a subsidiary of our largest shareholder, Tribeca Oil & Gas Inc. A total of \$9.875 million of this Note had been subscribed by the period end. These funds provided the Group with additional cash resources to meet certain outstanding liabilities and finance its ongoing work programme in Colombia.

Review of Operations

PetroLatina commenced an aggressive drilling campaign aimed at increasing production in its existing fields and making new discoveries in prospects on its exploration blocks, as summarised below:

Tisquirama License

Santa Lucia Field: The seismic interpretation acquired in 2008 was finalised, with a total of 76.23 square kilometres of 3D seismic being processed. This information was utilised in determining the location for well SL-4.

Los Angeles Field: As a result of geological and geophysics interpretations, 3 new wells resulted in successful discoveries (ANG-11, ANG-12 and ANG-14). ANG-11 and ANG-14 are producing at an average gross rate of 178 bopd and 203 bopd respectively; and ANG-12 is producing at an average gross rate of approximately 60 bopd (following a recent partially successful frac job) from a newly discovered oil bearing zone as part of an extended and ongoing test programme.

La Paloma Exploration and Production Agreement

The first well to be drilled at La Paloma, Colon-1, resulted in a successful discovery with initial tests giving rise to positive results. An extended test started in April and will last for six months. The well produced 32,499 gross barrels to 30 June 2009. Total gross production over the 95 days to 31 August 2009 was 55,931 barrels at an average rate of approximately 589 barrels per day. Since the period end, we have recently drilled the Colon-2 development well which is now on a production test at an average rate of 664 bopd. The La Paloma block is held under attractive terms from the Agencia Nacional de Hidrocarburos ("ANH") whereby a royalty of 8% and a corporate tax rate of 33% is applied. No government back in right applies to this block.

Midas Exploration and Production Agreement:

Chuir-1 was drilled at the end of June; oil was found in two separate zones and the upper zone was put into production. Due to plugging problems, a workover job is now being conducted to remove suspected plugging by drilling fluid and/or gilsonite and restore the upper La Luna zone in this well to full production. In addition, further work is planned to be performed in the lower zone of the La Luna reservoir in order to evaluate the real prospectivity and production potential of this well. In the second half of the year, a second exploration well, (Zoe-1), is currently intended to be drilled on the Midas block. The Midas block is held under the same attractive ANH terms as those outlined for the La Paloma block above.

Lebrija License:

Doña Maria Field: A review of the existing geological and geophysical information is currently underway in order to re-evaluate the future potential of this area. The field continues to produce from two wells.

Putumayo-4 Exploration and Production Agreement:

In December 2008, PetroLatina was awarded the Putumayo-4 block in the Colombian licence bidding round "Mini-Ronda 2008". The block covers an area of 51,333 hectares located in the Putumayo Basin of southern Colombia and has over 400km of pre-existing 2D seismic data. The formal agreement was signed in February 2009 with the ANH and a seismic reprocessing bidding process has been initiated.

Rio Zulia - Ayacucho Pipeline ("RZA")

During the first half of 2009, daily average throughput of 3,669 bopd was achieved from the Tibú and Río Zulia fields, which represents an increase of approximately 17% on the equivalent period to June 2008. Further development of the Tibú field by Ecopetrol S.A. could lead to a significant increase in the flow of oil throughput and consequently the Group currently expects utilisation of the Group's RZA pipeline to increase.

Guatemalan Assets

Despite having sold our former assets (Licences A7-2005 and A-6-93) in Guatemala to Quetzal Energy Inc. on 23 July 2007, the Company retained a 20 per cent. carried interest in the first three wells to be worked over in 2008, and a 20 per cent. working interest in future wells. Following evaluation of the prospectivity for ATZAM-3, the Company opted not to participate in this particular well but will still appraise and review its right to participate in future wells in Guatemala as appropriate.

Serafin Gas Development

The Group has started the engineering design for this project. Its construction stage is expected to begin during the fourth quarter of this year and is scheduled for completion by the first quarter of 2010.

Financial Review

During the first half of 2009, revenues remained broadly consistent and totalled \$4,515,000 (2008: \$4,498,000), despite the negative impact of lower oil prices with average crude WTI prices of \$51.25 per barrel (June 2008: \$110.96). This was offset by higher net average production which increased to 902 bopd (2008: 280 bopd). In addition, deliveries through the RZA pipeline for the first half increased to 3,669 bopd compared to 3,134 bopd transported in the equivalent period in 2008.

PetroLatina generated a maiden profit before tax in the period of \$99,000 reflecting a reduction in operating and administration expenses following the implementation of a Group wide austerity plan.

As referred to above, the Group successfully secured convertible loan note financing from TOGF for an aggregate amount of \$11,165,000 in order to satisfy certain outstanding liabilities and finance its ongoing work programme. However, the Group will need to raise additional funds to complete its entire planned work programme. Accordingly, the directors are currently in discussions with third party finance providers, as well as the key shareholders, and remain confident that the Group will be able to raise the required funds to finance its future working capital requirements.

Outlook

In the second half of the year, we will continue with the implementation of our strategy and the associated capital investment programme. Continued success will require the Group to remain technologically advanced and capital expenditure is expected to remain at a high level in the years ahead.

We aim to grow PetroLatina into one of the major players in Colombia's oil and gas industry and will seek to capitalise on the clear opportunities available to increase production, reserves and shareholder returns.

Juan Carlos Rodriguez
Chief Executive Officer

29 September 2009

PetroLatina Energy Plc
Independent review report to PetroLatina Energy Plc
For the period ended 30 June 2009

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2009 which comprises the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement and the related explanatory notes.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market which require that the half-yearly report be presented and prepared in a form consistent with that which will be adopted in the company's annual accounts having regard to the accounting standards applicable to such annual accounts.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Our report has been prepared in accordance with the terms of our engagement to assist the company in meeting the requirements of the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PetroLatina Energy Plc
Independent review report to PetroLatina Energy Plc
For the period ended 30 June 2009

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2009 is not prepared, in all material respects, in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

Emphasis of matter - going concern

In forming our conclusion, which is not qualified, we have considered the adequacy of the disclosures made in the Financial Review section of the Chief Executive Officer's statement on page 5, and in the notes to the financial statements on page 15 of the half-yearly financial report for the six months ended 30 June 2009 concerning the Group's need to raise further funds in order to finance the Group's development work programme. Although the directors expect to be able to raise the required funds, there are no binding agreements in place at this time. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the ability of the Group to continue as a going concern. The financial statements do not include any adjustments that would result if the Group were unable to continue as a going concern.

BDO STOY HAYWARD LLP
Chartered Accountants and Registered Auditors
London

29 September 2009

PetroLatina Energy Plc
Consolidated Statement of Comprehensive Income
For the period ended 30 June 2009

	Note	Six months ended 30 June 2009 Unaudited \$'000	Six months ended 30 June 2008 Unaudited \$'000	Twelve months ended 31 Dec 2008 Audited \$'000
Revenue		4,515	4,498	7,762
Cost of sales		(2,038)	(2,171)	(4,358)
		<hr/>	<hr/>	<hr/>
Gross profit		2,477	2,327	3,404
Administrative expenses		(1,906)	(2,054)	(6,631)
		<hr/>	<hr/>	<hr/>
Profit / (Loss) from operations		571	273	(3,227)
Finance income		5	9	315
Finance expense		(477)	(690)	(1,086)
		<hr/>	<hr/>	<hr/>
Profit / (Loss) before tax		99	(408)	(3,998)
Income tax		(95)	16	(85)
		<hr/>	<hr/>	<hr/>
Profit / (Loss) for the period		194	(424)	(3,913)
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Total comprehensive income for the period		194	(424)	(3,913)
		<hr/>	<hr/>	<hr/>
Earnings / (Loss) per share attributable to the equity holders of the parent during the period (basic) \$	3	0.004	(0.0161)	(0.12)
		<hr/>	<hr/>	<hr/>
Earnings / (Loss) per share attributable to the equity holders of the parent during the period (diluted) \$	3	0.007	(0.0161)	(0.12)
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PetroLatina Energy Plc
Consolidated Statement of Financial Position
For the period ended 30 June 2009

	As at 30 June 2009 Unaudited \$'000	As at 30 June 2008 Unaudited \$'000	As at 31 Dec 2008 Audited \$'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	46,627	32,151	33,029
Intangible assets	22,249	4,615	13,336
	<u>68,876</u>	<u>36,766</u>	<u>46,365</u>
Current Assets			
Inventories	24	62	36
Trade and other receivables	3,183	3,889	4,218
Cash and cash equivalents	4,239	1,865	2,706
	<u>7,446</u>	<u>5,816</u>	<u>6,960</u>
Total Assets	<u><u>76,322</u></u>	<u><u>42,582</u></u>	<u><u>53,325</u></u>
LIABILITIES			
Non-current liabilities			
Provisions for abandonment	1,205	556	1,205
Deferred tax liability	6,185	6,269	6,348
	<u>7,390</u>	<u>6,825</u>	<u>7,553</u>
Current liabilities			
Trade and other payables	13,734	8,174	5,852
Loans and Borrowings	14,968	10,840	267
	<u>28,702</u>	<u>19,014</u>	<u>6,119</u>
Total Liabilities	<u><u>36,092</u></u>	<u><u>25,839</u></u>	<u><u>13,672</u></u>
Total Net assets	<u><u>40,230</u></u>	<u><u>16,743</u></u>	<u><u>39,653</u></u>

PetroLatina Energy Plc
Consolidated Statement of Financial Position (continued)
For the period ended 30 June 2009

	As at 30 June 2009 Unaudited \$'000	As at 30 June 2008 Unaudited \$'000	As at 31 Dec 2008 Audited \$'000
EQUITY			
Share capital	22,045	11,735	22,045
Share premium	76,374	55,718	76,374
Shares to be issued	-	4,560	-
Convertible loan note reserve	392	-	-
Warrant reserve	1,921	1,937	1,930
Retained earnings	(60,502)	(57,207)	(60,696)
Total equity attributable to the equity holders of the parent	40,230	16,743	39,653

The interim financial statements on pages 9 to 18 were approved and authorised for issue by the Board of Directors on 29 September 2009 and were signed on its behalf by:

Juan Carlos Rodriguez
Chief Executive Officer

PetroLatina Energy Plc
Consolidated Statement of Changes in Equity
For the period ended 30 June 2009

	Share capital \$'000	Share premium \$'000	Shares to be issued \$'000	Warrant reserve \$'000	Convertible loan note \$'000	Retained earnings \$'000	Total equity \$'000
Opening balance – 1 January 2008 (audited)	11,735	55,718	4,560	1,624	-	(56,783)	16,854
Profit / (Loss) for the period	-	-	-	-	-	(424)	(424)
Issue of warrants	-	-	-	313	-	-	313
Balance as at 30 June 2008 (unaudited)	11,735	55,718	4,560	1,937	-	(57,207)	16,743
Profit / (Loss) for the period	-	-	-	-	-	(3,489)	(3,489)
Issue of share capital	7,680	17,320	-	-	-	-	25,000
Issue of warrants	-	-	-	(7)	-	-	(7)
Deferred consideration paid in shares	1,523	1,477	(3,000)	-	-	-	-
Share-based payment	1,107	1,859	(1,560)	-	-	-	1,406
Balance as at 31 December 2008 (audited)	22,045	76,374	-	1,930	-	(60,696)	39,653
Profit for the period	-	-	-	-	-	194	194
Issue of warrants	-	-	-	(9)	-	-	(9)
Issue of convertible loan note	-	-	-	-	392	-	392
Balance as at 30 June 2009 (unaudited)	22,045	76,374	-	1,921	392	(60,502)	40,230

PetroLatina Energy Plc
Consolidated Cash Flow Statement
For the period ended 30 June 2009

	Six months ended 30 June 2009 Unaudited \$'000	Six months ended 30 June 2008 Unaudited \$'000	Twelve months ended 31 Dec 2008 Audited \$'000
Operating activities			
Profit / (Loss) for the period	194	(424)	(3,913)
Share-based payments	-	313	902
Depreciation of property, plant and equipment	625	334	1,294
Impairment of intangible asset	-	-	946
Finance income	(5)	(9)	(315)
Finance expense	477	277	1,086
Income tax expense	(95)	(96)	(85)
Exchange loss	-	(4)	-
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Cash flows from operating activities before changes in working capital and provisions	1,196	391	(85)
Decrease/(increase) in inventories	12	(11)	16
Decrease/(increase) in trade and other receivables	969	(1,464)	(524)
Increase in trade and other payables	1,022	390	47
	<hr/>	<hr/>	<hr/>
Cash absorbed by operations	3,199	(694)	(546)
Income taxes paid	-	-	(257)
	<hr/>	<hr/>	<hr/>
Net cash from operating activities	3,199	(694)	(803)
Investing activities			
Finance income	5	9	315
Purchase of property, plant and equipment	(14,386)	(2,381)	(1,267)
Payments for exploration	(1,967)	(286)	(10,684)
Deferred consideration paid	-	(2,500)	(7,000)
	<hr/>	<hr/>	<hr/>
Net cash flows from investing activities	(16,348)	(5,158)	(18,636)

PetroLatina Energy Plc
Consolidated Cash Flow Statement (continued)
For the period ended 30 June 2009

	Six months ended 30 June 2009 Unaudited \$'000	Six months ended 30 June 2008 Unaudited \$'000	Twelve months ended 31 Dec 2008 Audited \$'000
Financing activities			
Issue of ordinary share capital	-	-	25,000
Proceeds from convertible loan issue	9,675	-	-
Proceeds from related party loans	-	2,900	-
Repayment of related party loans	-	(2,900)	-
Proceeds from short term loans	5,417	10,000	-
Repayment of short term loans	-	(5,548)	(6,121)
Interest paid	(410)	(277)	(276)
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Net cash flows from Financing activities	14,682	4,175	18,603
	<hr/>	<hr/>	<hr/>
Increase/(decrease) in cash and cash equivalents	1,533	(1,677)	(836)
Cash and cash equivalents at the start of the period	2,706	3,542	3,542
	<hr/>	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	4,239	1,865	2,706
	<hr/>	<hr/>	<hr/>

PetroLatina Energy Plc
Unaudited notes forming part of the unaudited consolidated interim financial statements
for the period ended 30 June 2009

1 Accounting policies

Basis of preparation

The condensed interim financial statements have been prepared using policies based on International Financial Reporting Standards (IFRS and IFRIC interpretations) issued by the International Accounting Standards Board (IASB) as adopted for use in the EU. The condensed interim financial information has been prepared using the accounting policies which will be applied in the Group's statutory financial statements for the year ended 31 December 2009. This results in the adoption of the revision to IAS 1; this revision prohibits the presentation of items of income and expenses (that is, "non-owner changes in equity") in the statement of changes in equity, requiring "non-owner changes in equity" to be presented separately from owner changes in equity. All non-owner changes in equity will be required to be shown in a performance statement. This revision has been applied throughout these interim financial statements.

All amounts have been prepared in US dollars, this being the Group's presentational currency.

The Group plans to continue its extensive drilling programme in the next twelve months, which should transform more of its oil reserves into producing reserves. Following a review of the Group's financial position and its budgets and plans, this programme is currently not fully funded from resources at the Group's disposal. The Directors have reviewed the financial position of the Group as at 30 June 2009 and since the balance sheet date and are in the process of securing a large part of the required funding. Negotiations with a number of major investment banks are at an advanced stage to secure the remaining funds and this, combined with the Group's current production, exploration and near term production potential, as reflected in the Group's recent announcements, should fully fund the remaining planned work programme. Whilst the Directors are confident that the Group will be able to raise the required funds to finance its working capital requirements, there can be no guarantee that the current negotiations will be completed within 12 months from the date of the financial statements and therefore there exists a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Notwithstanding this uncertainty, the Directors are confident that the Group will be able to raise the required funds therefore these financial statements have been prepared on a going concern basis. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

2 Financial reporting period

The condensed interim financial information for the period 1 January 2009 to 30 June 2009 is unaudited. In the opinion of the Directors the condensed interim financial information for the period presents fairly the financial position, and the results from operations and cash flows for the period are in conformity with generally accepted accounting principles consistently applied. The financial statements incorporate comparative figures for the interim period 1 January 2008 to 30 June 2008 and the audited financial year to 31 December 2008.

The financial information contained in this interim report does not constitute statutory accounts as defined by section 435 of the Companies Act 2006.

The comparatives for the full year ended 31 December 2008 are not the Group's full statutory accounts for that year. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified; however it did include references to matters to which the auditors drew attention by way of emphasis without qualifying their report. The auditors' report did not contain a statement under section 237(2)-(3) of the Companies Act 1985.

PetroLatina Energy Plc
Unaudited notes forming part of the unaudited consolidated interim financial statements
for the period ended 30 June 2009

3 Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year, plus the weighted average number of shares that would be issued on the conversion of dilutive potential ordinary shares into ordinary shares. The calculation of the dilutive potential ordinary shares related to employee and director share option plans and includes only those options with exercise prices below the average share trading price for each period.

Where the company is loss making, a diluted loss per share is not presented because the effect on the loss per share would be anti-dilutive. The calculation of the diluted EPS assumes all criteria giving rise to the dilution of the EPS are achieved and that all outstanding share options are exercised.

	Six months ended 30 June 2009 Unaudited	Six months ended 30 June 2008 Unaudited	Twelve months ended 31 Dec 2008 Audited
Net profit attributable to equity holders used in basic calculation (\$'000)	194	(424)	(3,913)
Add back interest and accretion charge in respect of convertible loan notes (\$'000)	283	-	-
Net profit attributable to equity holders used in dilutive calculation (\$'000)	<u>477</u>	<u>(424)</u>	<u>(3,913)</u>
Basic weighted average number of shares	43,888,569	26,335,404	32,995,191
Earnings / (Loss) Per Share			
- Basic	0.005	(0.0161)	(0.12)
- Diluted	0.007	(0.0161)	(0.12)
Dilutive potential ordinary shares			
Shares related to convertible notes	24,406,596	-	-
Employee and Director share option plans	1,015,386	-	892,309
Diluted weighted average number of shares	69,310,551	26,335,404	33,887,500

PetroLatina Energy Plc
Unaudited notes forming part of the unaudited consolidated interim financial statements
for the period ended 30 June 2009

4 Post balance sheet events

On 21 January 2009, the Company executed an instrument constituting secured 12 per cent. convertible loan notes, due 2011 in the aggregate amount of US\$9.875 million (the "Notes"). Tribeca Oil and Gas Financing, Inc. ("TOGF"), a subsidiary of existing shareholder Tribeca Oil & Gas, Inc. ("TOGI"), agreed to subscribe for US\$4.875 million in aggregate of the Notes and had an option (but was not obliged) to subscribe for up to a further US\$5 million tranche in aggregate of the Notes.

The first tranche of the Notes subscribed for by TOGF, if not repaid or converted earlier, matures on 21 January 2011. The Notes accrue interest at a rate of 12 per cent. per annum, payable at intervals of six months from the date of issue, and at the Company's option can be redeemed in whole or in part prior to maturity, without penalty, on any of the interest payment dates. Unless converted, the Notes are redeemable immediately prior to any sale or de-listing of the Company and repayable in the event of any default. At TOGF's option, the Notes are convertible in whole into new ordinary shares in the Company ("Ordinary Shares") on any of the interest payment dates, in the event of early redemption (in respect of the amount specified to be redeemed), on maturity or on any instance of default, sale or de-listing of the Company. In the event of conversion, the number of new Ordinary Shares to be issued to the noteholder will be determined by dividing the principal amount of the relevant Notes by the initial conversion price per Ordinary Share of 20.9375 pence (the "Initial Conversion Price").

At its discretion, the Company is entitled to pay interest accruing on both tranches of the Notes in the form of either cash or by the issue of new Ordinary Shares. If interest is paid in the form of shares, the number of new Ordinary Shares to be issued and allotted (credited as fully paid) to the noteholder will be determined by dividing the amount of interest payable by the closing middle-market price of an Ordinary Share on the business day immediately prior to the relevant interest payment date converted from pounds sterling to US dollars at the then prevailing exchange rate.

The Initial Conversion Price referred to above was less than the nominal value of an Ordinary Share of US\$0.50 (approximately 35 pence at the then prevailing pounds sterling to US dollars exchange rate) at the time of issue. Accordingly, since English company law prevents the Company from issuing new shares at a price below the prevailing nominal value of its Ordinary Shares, the Company, further to the receipt of shareholder approval on 23 June 2009, implemented a capital reorganisation prior to the first interest payment date in order to ensure that the nominal value of each Ordinary Share was reduced to an amount sufficiently below the Initial Conversion Price.

Following discussions with TOGF, in respect of the Company's option to request up to a further US\$5 million note subscription by 21 July 2009 under the existing facility, it was agreed on 16 June 2009 that this option would be lapsed and replaced with an increased note subscription by TOGF of US\$6.29 million. In return for the increased funding amount, the terms of the second tranche of the convertible loan notes were varied to allow for conversion, in whole or in part, into new ordinary shares at a fixed conversion price of 25 pence per share on any of the interest payment dates from December 2009 onwards. Save for the variation in the amount, the first possible conversion date, and the conversion price of the second tranche, all other terms of the original convertible loan note instrument remained unaltered from those details announced on 21 January 2009. Following the second subscription, TOGF currently holds an aggregate principal amount of US\$11.165 million of secured convertible 12 per cent. loan notes due 2011.

Under the terms of the amended loan note instrument, the second tranche of notes are not capable of conversion prior to the first six monthly interest payment date on 17 December 2009 and, at the Company's option, can be redeemed in whole or in part, without penalty, on any of the interest payment dates prior to their scheduled maturity on the second anniversary from drawdown in 2011. Unless converted, the notes are redeemable immediately prior to any sale or de-listing of the Company and repayable in the event of any default. At TOGF's option, the second tranche notes are convertible in whole into new ordinary shares on any of the interest payment dates, in the event of early redemption and only after the first interest payment date (in respect of the amount specified to be redeemed), on maturity or on any instance of default, sale or de-

PetroLatina Energy Plc
Unaudited notes forming part of the unaudited consolidated interim financial statements
for the period ended 30 June 2009

listing of the Company. In the event of conversion, the number of new ordinary shares to be issued to the noteholder will be determined by dividing the principal amount of the relevant notes by the revised second tranche conversion price per new ordinary share of 25 pence.

On 23 June 2009, a resolution to approve the reorganisation of the Ordinary Shares in issue was passed in order to comply with the terms of the Loan Note Instrument dated 21 January 2009, as amended on 16 June 2009, and reduce the nominal value of an Ordinary Share to a more appropriate level such that the outstanding convertible secured loan notes are then capable of conversion at the noteholder's election. Pursuant to this resolution, inter alia, every Ordinary Share of US\$0.50 then in issue was converted into 1 (one) New Ordinary Share of US\$0.10 and 4 (four) New Deferred B Shares of US\$0.10 each. To date, the first tranche of the Notes have not been converted.

Under the terms of the Loan Note Instrument, the Company agreed to pay TOGF an arrangement fee of US\$300,000 in consideration for the subscription of the Notes. In addition, the Company granted TOGF a warrant over Ordinary Shares exercisable in whole or in part at an aggregate exercise price of US\$300,000 on any number of occasions throughout the term of the loan note instrument (the "Warrant"). The exercise price payable by TOGF to the Company in respect of the Warrant was to be set off against the arrangement fee owing by the Company to TOGF pursuant to the Notes. In the event of exercise, the number of new Ordinary Shares to be issued to the warrant holder was to be determined by dividing the exercise price by the higher of (i) the middle market closing price of an Ordinary Share on the date of the Warrant, as converted from pounds sterling to US dollars at the then prevailing exchange rate, and (ii) the prevailing nominal value of one Ordinary Share at the time of exercise of the Warrant. On 30 July 2009, PetroLatina issued and allotted (credited as fully paid) 1,226,329 new ordinary shares of US\$0.10 par value each (the "Warrant Shares") to TOGF following the exercise of the warrants held by it pursuant to the agreement of 21 January 2009. The exercise price of US\$300,000 payable by TOGF to the Company in respect of the warrant exercise was set off in full against the aforementioned arrangement fee owed by the Company to TOGF.

In addition, on 30 July 2009 the Company also issued and allotted (credited as fully paid) a further 435,376 new ordinary shares of US\$0.10 par value each (the "Interest Shares") to TOGF in satisfaction of the first six monthly interest installment to 21 July 2009 due in respect of the initial tranche of US\$4.875 million convertible loan notes subscribed by TOGF on 21 January 2009. Accordingly, TOGF was allotted, in aggregate, 1,661,705 new ordinary shares.