



PETROLATINA ENERGY Plc
("PetroLatina" or the "Company")

Interim Results for the Six Months Ended 30th June 2006

PetroLatina Energy Plc, an independent oil and gas exploration development and production company focused on Latin America, listed on AIM, today announces its interim results for the six months ended 30th June 2006.

2006 HIGHLIGHTS

Colombia

- Acquired and awarded interests in two exploration licences in the Middle Magdalena Valley Colombia, Midas and La Paloma, with a combined potential for recoverable oil reserves of up to 110 million barrels (76 million net to the Company).
- Completed the acquisition of Petroleos del Norte S.A. ("PDN"), providing stable production and oil revenues from two licences, three technical evaluation licences and ownership of the revenue generating Rio Zulia – Ayucucho Pipeline.
- Commenced environmental assessments and a seismic reprocessing program on Midas and La Paloma licences with a view to completing an extensive 2D seismic shoot in early 2007.
- Initiated plans to re-enter Sarafina gas well and construct a pipeline tie-in within Tisquirama acreage with a minimum expected production of 6 million cubic feet ("mmscf") per day.

Guatemala

- Completed well 1X sidetrack on schedule with no problems, showing four potential hydrocarbon bearing intervals. A full production test is planned for late September / early October 2006.
- Well 3X was completed, tested and subsequently shut in to monitor and analyze pressure build up data.
- Tortugas– Received full approval of Environmental Impact Assessment (EIA) and commenced a detailed archeological study of the proposed work and seismic areas prior to commencing operations.
- Atzam – completed surface contracts in preparation to work-over the first of three existing wells on licence A7-2005.

Financial / Corporate

- In July 2006 the Company changed its name from Taghmen Energy Plc to PetroLatina Energy Plc to more fully reflect its Latin American focus.
- Raised a total of £ 20.2 million :
 - Completed three fund raisings of £ 15 million (US\$ 26.3 million), £ 4.2 million (US\$ 8.0 million) and £ 0.973 million (US\$ 1.8 million) respectively before costs to support the Guatemalan work programme and PDN acquisition.
- Recorded first Colombian oil sales and pipeline revenues of US\$ 420,000 for the last 15 days of June, representing the post PDN acquisition period.
- Reported a loss of US\$ 3.39 million for the 6 months to 30th June, 2006.
- Negotiated a US\$ 7 million Bridging Loan with Macquarie Bank Limited for the PDN acquisition. It is intended that this will be replaced with a larger and more longer term facility in connection with the extension of the Tisquirama licence in Colombia.

Nicholas Gay, Chief Executive Officer of PetroLatina Energy commented:

“I am delighted to report that PetroLatina has embarked on a new phase of expansion and development through its diversification into Colombia. Our success in identifying and securing these new exploration and production opportunities fully demonstrates our ambition to develop into a significant oil and gas company within Latin America. I look forward to bringing to shareholders further good news during the remainder of 2006 and into 2007.”

Enquiries:

PetroLatina Energy www.PetroLatinaenergy.com	Ian Refault, CFO	Ianrefault@PetroLatinaenergy.com	+44(0)2072974360
Pelham Public Relations	Charles Vivian Phillip Dennis	Charles.vivian@pelhampr.com Phillip.dennis@pelhampr.com	+44(0)2077436672 +44(0)2077436363

CHAIRMAN, CHIEF EXECUTIVE OFFICER AND CHIEF OPERATING OFFICER'S JOINT STATEMENT

The first six months to 30 June 2006 has been an exciting period in the development of the Company. PetroLatina has successfully diversified into Colombia through the addition of valuable exploration, production and development opportunities. The Company now has a stable and secure revenue stream from production and pipeline operations together with extensive new exploration acreage in Colombia to add to its existing Guatemalan assets.

Production and Revenues

Through the PDN acquisition, PetroLatina currently produces approximately 500 barrels of oil per day ("bopd") net to the Company from two fields and owns and operates the revenue producing Rio Zulia – Ayucucho Pipeline. These two assets generated approximately US\$ 420,000 of revenue during the last 15 days of June 2006, post acquisition.

Reserves

In Colombia, the Company estimates that, based on identified leads, Midas could contain 90 million (63 million net to PetroLatina) barrels of oil and La Paloma 20 million (13 million net to PetroLatina) barrels of oil. This, together with an estimated 16 million barrels of oil potential from the Atzam structure on the A7-2005 licence in Guatemala acquired in late 2005, brings the total new exploration potential of the Company to 92 million barrels of oil in the last nine months.

In addition, PetroLatina holds 24.8 million proved, probable and possible reserves on Licence 6-93 in Guatemala and approximately 13.5 million (net to its interests) on the Tisquirama licence in Colombia.

The previously reported US\$ 13 million second stage payment for PDN is directly tied to the successful extension of the Tisquirama licence from 2009/2011 to 2025. Negotiations have commenced with joint venture partners and the Colombian authorities to secure this extension under favorable terms. Negotiations of this type can be lengthy but should be completed in the first half of 2007. The total reserves on this licence, as noted above, are dependent on the licence extension.

In conclusion, the addition of these new diversified Colombian assets put PetroLatina on a solid footing for the future and cements the Company as a truly Latin American concern.

REVIEW OF OPERATIONS AND WORK PROGRAMME

Colombia

Within the Tisquirama production licence and located less than two miles from the Los Angeles production facility, is the Sarafina exploration gas well which was drilled in the 1970's and flowed more than 85 mmscf of very clean dry gas. The well was drilled, tested and subsequently abandoned due to there being limited gas sales potential in Colombia at that time and no gas pipeline infrastructure in the area to tie into. Circumstances have now changed with natural gas in high demand and a major gas pipeline available 3.5 kilometers from the well site.

PetroLatina plans to re-enter the Sarafina well and construct a 3.5 kilometer pipeline to tie into the gas pipeline system now in place. With current gas prices in Colombia and using detailed testing data from the well, management expect future production to exceed 6 mmcf per day and a rapid payback of re-entry, surface facilities and pipeline costs in less than six months from the first gas production. This could prove a near term bonus from the PDN acquisition.

Further development of the existing production licence areas will include a small 3D seismic shoot over the Santa Lucia field. This will allow the Company to better identify both infill wells for a rapid increase in production and step out drilling potential in the area together with enhancing the definition of a potential deep target under Santa Lucia. This development phase will begin in early 2007.

Regarding exploration of the Midas and La Paloma licences, environmental work has already commenced as a pre-requisite to operational activity. The re-processing of seismic data is underway and an extensive 2D seismic shoot is currently being designed for both areas. Data interpreted to date is very encouraging and ties into that already existing on the adjoining Tisquirama block. These two work programmes are financed from US\$ 2.5 million deposited in trust funds in Colombia on securing interests in the licences.

The Company will also plan and evaluate the three Technical Evaluation Areas which are believed to hold significant further potential.

Guatemala

Guatemala has been an extremely difficult project to date. However, with the drilling of Las Casas well 3X and the side tracking well 1X, PetroLatina has proven oil in place.

In Las Casas, the Well 1X sidetrack was completed on schedule. The Well showed four hydrocarbon bearing intervals and will be production tested in late September / early October 2006, following removal of the Roll'n International drilling unit.

Well 3X was swabbed and recorded oil inflow from two intervals but a rapid decline in pressure in both intervals indicated this to be in a separate fault block containing limited reserves. In addition, a wax problem together with very low fluid levels forced the Company to remove the PCP pumping system, which had been installed for an extended pump test. PetroLatina is currently re-evaluating alternative methods of pumping best suited for these wells with significant deviation, wax deposition and low fluid levels.

Following the testing of well 1XD, the service rig will be moved to and mobilized at the A7-2005 acreage to commence re-entry operations in the Tortugas / Atzam project. Start up of this project has been slower than planned because the initial Archeological survey of the license area showed a Mayan City based around the Tortugas salt dome. PetroLatina is working closely with the Guatemalan government to assure that any work undertaken does not interfere with the preservation of these ruins

PetroLatina intends to work-over a total of three existing wells in the Tortugas/Atzam licence areas and has to date completed the surface contract in preparation for the first, Atzam 2. The main camp and workshop site in Tortugas have been relocated away from the archaeological sites. Operations on the Atzam 2 re-entry are scheduled to begin in October 2006, with forecast production from this well estimated to be in range of 150 to 300 bopd.

The Company has released the Roll'n International Drilling rig and is now preparing to demobilize the rig to Puerto St Thomas on the east coast and then remove it from the country. It has been determined that much more detailed Geological and Geophysical studies must be carried out prior to drilling the first Huapac well or any further wells in the 6-93 contract area. Operational management is currently inspecting smaller rigs in Mexico and Belize for the Tortugas drilling program. When the Company is prepared to resume deeper drilling in 6-93, management believe that rigs currently in Guatemala or possibly Mexico will be available as and when required.

FINANCIALS

In the first 6 months of 2006, the operating loss was US\$ 3.39 million. Turnover of US\$ 0.42 million consists of oil sales and pipeline income in Colombia and cost of sales of US\$ 0.06 million is operational costs related to that turnover. Within expenses are non cash costs of US\$ 1.12 million, being the write off of deferred costs created at the time of formation and flotation of the Company and depreciation.

Administrative expenses are relatively high for the period and reflect the fact that the Company is now operating from three offices, London, Guatemala and Colombia, is listed on the London exchange and has been actively pursuing acquisitions. These costs are currently under review and the Company is looking at synergies between the Guatemalan, Colombian and London offices to reduce expenses going forward.

In August and September 2006 the Company replaced a significant amount of the funds used to acquire PDN through private placements of equity, raising £ 5.17 million (approximately US\$ 9.8 million). This is in addition to the £ 15 million (approximately US\$ 26.3 million) raised earlier in the period.

APPOINTMENT

PetroLatina has recently appointed Ian M. Refault as Chief Financial Officer effective August 28th 2006. Ian brings valuable experience to the Company from 11 years in the International Oil and Gas Industry and has worked with most of the current management team in previous positions.

OUTLOOK

In summary, the diversification into Colombia, the addition of exploration acreage and the recent acquisition of PDN puts PetroLatina in an excellent position for future growth through the proving up of an expanded reserve base and increasing production and operational cash flows.

Greg Smith Executive Chairman	Nicholas Gay Chief Executive Officer	Jay Scott Chief Operating Officer
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CONSOLIDATED FINANCIAL STATEMENTS:

Consolidated profit and loss account for the six months ended 30 June 2006

	Note	Continuing	Acquisitions	Total		
		Operations			Audited	Unaudited
		Unaudited Period from 1 January 2006 to 30 June 2006	Unaudited Period from 1 January 2006 to 30 June 2006	Unaudited Period from 1 January 2006 to 30 June 2006	Period from 7 July 2004 to 31 December 2005	Period from 1 November 2004 to 30 June 2005
		\$	\$	\$	\$	\$
Income						
Turnover		-	420,950	420,950	-	-
Cost of sales		-	(57,558)	(57,558)	-	-
Gross Profit		-	363,392	363,392	-	-
Administration expenses		(2,764,250)	(48,450)	(2,812,700)	(4,139,149)	(2,845,025)
Depreciation		(128,070)	(49,467)	(177,537)	(270,676)	(99,536)
Amortisation of deferred share costs		(946,750)	-	(946,750)	(2,014,333)	(1,182,167)
Exchange (gain) / loss		(26,355)	9,851	(16,504)	(300,404)	(330,063)
Operating Profit / (Loss)		(3,865,424)	275,326	(3,590,098)	(6,724,562)	(4,456,791)
Profit / (Loss) on ordinary activities before interest and tax		(3,865,424)	275,326	(3,590,098)	(6,724,562)	(4,456,791)
Interest receivable		258,623	507	259,130	216,648	160,810
Interest payable		(17,502)	(45,324)	(62,826)	(39,472)	-
Profit / (Loss) for the period before and after taxation		(3,624,303)	230,509	(3,393,794)	(6,547,386)	(4,295,981)
Profit / (Loss) per share						
Basic	2	(\$0.05)	\$0.00	(\$0.05)	(\$0.15)	(\$0.09)

All amounts relate to continuing activities

There are no recognised gains or losses for the period, other than the loss for the period

The notes form part of these unaudited financial statements

Consolidated balance sheet at 30 June 2006

	Note	Unaudited 30 June 2006	Unaudited 30 June 2006	Audited 31 December 2005	Audited 31 December 2005	Unaudited 30 June 2005	Unaudited 30 June 2005
		\$	\$	\$	\$	\$	\$
Fixed assets							
Tangible assets	3		20,942,601		1,411,636		1,410,479
Intangible assets	4		26,333,169		19,870,700		9,017,069
Investments			115,643		-		-
			<u>47,391,413</u>		<u>21,282,336</u>		<u>10,427,548</u>
Current assets							
Stock		1,587,673		1,363,134		1,694,356	
Debtors	5	3,386,471		1,055,858		1,288,350	
Deferred share costs due within one year	5	1,066,417		1,772,667		1,893,500	
Deferred share costs due after one year	5	1,202,500		1,443,000		2,154,333	
Cash at bank and in hand		4,655,067		1,293,738		6,557,552	
		<u>11,898,128</u>		<u>6,928,397</u>		<u>13,588,091</u>	
Creditors falling due within one year	6	<u>(11,472,312)</u>		<u>(3,658,792)</u>		<u>(408,434)</u>	
Net current assets			425,816		3,269,605		13,179,657
Creditors falling due after one year			(217,634)		-		(350,000)
Provision for liabilities			<u>(299,628)</u>		<u>(299,628)</u>		<u>(225,000)</u>
Total assets less current liabilities			<u>47,299,967</u>		<u>24,252,313</u>		<u>23,032,205</u>
Capital and reserves							
Called up share capital	7		8,465,036		5,495,976		5,168,126
Share premium	7		48,636,500		25,164,111		22,501,129
Warrant reserve			139,612		139,612		139,612
Profit and loss account			<u>(9,941,181)</u>		<u>(6,547,386)</u>		<u>(4,776,662)</u>
Shareholders funds			<u>47,299,967</u>		<u>24,252,313</u>		<u>23,032,205</u>

Approved by the Board of Directors on September 26th 2006

The notes form part of these unaudited financial statements

Consolidated cash flow statement for the six months ended 30 June 2006

	Note	Unaudited Period from 1 January 2006 to 30 June 2006	Unaudited Period from 1 January 2006 to 30 June 2006	Unaudite Period from 7 July 2004 to 31 December 2005	Unaudited Period from 7 July 2004 to 31 December 2005	Unaudited Period from 1 November 2004 to 30 June 2005	Unaudited Period from 1 November 2004 to 30 June 2005
		\$	\$	\$	\$	\$	\$
Net cash outflow from operating activities	8		(4,061,955)		(5,165,654)		(5,815,462)
Returns on investments and serving of finance							
Interest received		259,130		216,648		160,810	
Interest paid		(14,092)					
Cash acquired with subsidiary	10	226,512		29,897		-	
Consideration		(19,585,663)		(3,352,067)		(123,295)	
			(19,114,113)		(3,105,522)		37,515
Capital expenditure							
Exploration expenditure		(6,161,801)		(12,665,501)		(3,371,389)	
Purchase of tangible fixed assets		(441,583)		(1,174,452)		(49,718)	
			(6,603,384)		(13,839,953)		(3,421,107)
Cash outflow before use of liquid resources and financing			(29,779,452)		(22,111,129)		(9,199,054)
Management of liquid resources			(2,351,728)		(966,819)		(954,026)
Financing							
Issue of ordinary shares		27,408,499		22,404,867		2,000,000	
Exercise of share warrants		-		1,000,000		-	
Share issue/ AIM listing costs		(1,267,718)				(2,911,927)	
Loan	11	7,000,000				-	
			33,140,781		23,404,867		(911,927)
Increase in cash	9		1,009,601		326,919		(11,065,007)
Opening net funds			326,919		-		16,668,533
Net funds at the end of the period			1,336,520		326,919		5,603,526

The notes form part of these unaudited financial statements

Notes forming part of the unaudited financial statements for the period ended 30 June 2006

1. Accounting policies

Basis of preparation

The unaudited financial statements have been prepared in accordance with accounting standards applicable in the United Kingdom at the balance sheet date.

The unaudited financial statements for the six months ended 30 June 2006 have been prepared in accordance with accounting principles applied by the group in the prior accounting period and those expected to be adopted in the Group's full financial statements for the year ended 31 December 2006.

The financial information shown in this publication is unaudited and does not constitute statutory accounts as defined in section 240 of the Companies Act 1985.

In order to achieve its planned business expansion and development plan, the company will be dependent on the receipt of additional funds in the future, which the company plans to obtain through the issue of share capital and/or debt financing.

The unaudited financial statements have been presented in US\$ dollars as this is considered to be the group's functional currency.

2. Loss per share

The loss per Ordinary Share has been calculated using the weighted average number of shares in issue during the period. The weighted average number of Ordinary shares in issue in the period was 73,710,803 (30 June 2005 - 48,685,620) and the loss, being the loss after tax, was \$3,393,795 (30 June 2005 - \$4,295,981)

Due to the losses incurred during the period a diluted loss per share has not been calculated as this would serve to reduce the basic loss per share.

3. Tangible assets

	Note	Unaudited 30 June 2006 \$	Audited 31 December 2005 \$	Unaudited 30 June 2005 \$
Cost				
At start of period		1,683,064	-	-
Acquisition of subsidiary	10	19,266,919	508,612	508,612
Additions		441,583	1,174,452	1,074,433
		<u>21,391,566</u>	<u>1,683,064</u>	<u>1,583,045</u>
Amortisation				
At start of period		271,428	-	-
Charge for period		177,537	271,428	172,566
		<u>448,965</u>	<u>271,428</u>	<u>172,566</u>
Net Book Value		<u>20,942,601</u>	<u>1,411,636</u>	<u>1,410,479</u>

4. Intangible assets

	Unaudited 30 June 2006	Audited 31 December 2005	Unaudited 30 June 2005
	\$	\$	\$
At start of period	19,870,700	-	4,595,680
Acquisition of subsidiary	-	4,261,665	-
Additions	6,462,469	15,609,035	4,421,389
	<u>26,333,169</u>	<u>19,870,700</u>	<u>9,017,069</u>

The intangible assets relate to unproven oil and gas properties in Guatemala

5. Debtors

	Unaudited 30 June 2006	Audited 31 December 2005	Unaudited 30 June 2005
	\$	\$	\$
Other taxes and social security	1,031,963	775,989	412,522
Prepayments	437,508	133,494	-
Other debtors	1,917,000	146,375	875,828
	<u>3,386,471</u>	<u>1,055,858</u>	<u>1,288,350</u>
Deferred share cost due within one year	1,066,417	1,772,667	1,893,500
Deferred share costs due after one year	1,202,500	1,443,000	2,154,333
	<u>5,655,388</u>	<u>4,271,525</u>	<u>5,336,183</u>

Other taxes and social security debtors are due for payment after one year.

6. Creditors: amounts falling due within one year

	Unaudited 30 June 2006	Audited 31 December 2005	Unaudited 30 June 2005
	\$	\$	\$
Trade creditors	506,817	1,000,003	253,564
Other taxes and social security	319,604	33,203	47,647
Interest on convertible loans	88,206	39,472	-
Accruals	2,326,651	2,236,114	107,223
Convertible loan notes	350,000	350,000	-
Short term loans (see notes 9 and 11)	7,881,034	-	-
	<u>11,472,312</u>	<u>3,658,792</u>	<u>408,434</u>

7. Share capital

	Date	Issue Price \$	Number Of shares	Consideration \$	Share Capital \$	Share Premium \$
At 1 January 2006			53,951,313	30,660,087	5,495,976	25,164,111
Issues pursuant to equity offerings	17 January, 2006	0.90	1,106,194	1,000,000	110,619	889,381
	10 February, 2006	0.96	27,272,727	26,308,500	2,727,273	23,581,227
Issues in lieu of compensation	20 March, 2006	0.96	311,688	300,668	31,169	269,499
Issues pursuant to exercise of warrants	24 March, 2006	0.10	1,000,000	100,000	100,000	-
At 30 June 2006			83,641,922	58,369,254	8,465,037	49,904,218
Share issue costs						(1,267,718)
Balance						<u>48,636,500</u>

8. Reconciliation of operating loss to net cash outflow from operating activities

	Unaudited Period from 1 January 2006 to 30 June 2006 \$	Unaudited Period from 1 November 2004 to 30 June 2005 \$
Operating loss	(3,590,098)	(4,456,791)
Increase / (Decrease) in creditors	(423,712)	33,001
Increase in debtors	(996,798)	(996,594)
Increase in inventory	(175,634)	(1,676,781)
Depreciation	177,537	99,536
Amortisation of deferred share costs	946,750	1,182,167
	<u>(4,061,955)</u>	<u>(5,815,462)</u>

9. Analysis of net funds / Debt

Net Funds	Unaudited At	Cash flow	Audited At	Cash flow	Unaudited At
	30 June		31 December		30 June
	2005		2005		2006
	\$	\$	\$	\$	\$
Cash at bank and in hand	5,603,526	(5,276,607)	326,919	1,009,601	1,336,520
Other liquid resources	954,026	12,793	966,819	2,351,728	3,318,547
Total Net Funds	<u>6,557,552</u>	<u>(5,263,814)</u>	<u>1,293,738</u>	<u>3,361,329</u>	<u>4,655,067</u>
Debt					
Short term loans (see note 11)	-	-	-	7,000,000	7,000,000
Other loans	-	-	-	881,034	881,034
Total debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,881,034</u>	<u>7,881,034</u>

10. Acquisition of Petroleos del Norte S.A.

The Company has agreed to pay US \$32 million for Petroleos del Norte S.A. ("PDN"), payable in two installments. The first installment of US \$19 million was paid on June 16, 2006. The second installment is for US \$13 million and is payable when the Tisquirama licence (containing the Los Angeles and Santa Lucia fields) has been extended. The second installment may be reduced should the terms under which the Tisquirama licence is extended change beyond those specified in the sale and purchase agreement. Due to uncertainty as to the length of negotiations related to the extension of the Tisquirama licence and the exact amount that will be paid on extension, management has not accounted or provided for the second installment in these interim accounts.

In exchange for the payment of the first installment, PetroLatina has acquired a controlling interest of 77.76% of the issued and outstanding share capital of PDN. The remaining 22.24% of the issued and outstanding shares of PDN are held in a trust in Colombia and their release from such trust is subject to the resolution of pending litigation. Based on the advice of counsel in Colombia, PetroLatina believes that the litigation will ultimately result in the shares held in trust being returned to PDN for cancellation, which would result in PetroLatina holding 100% of the issued and outstanding shares of PDN.

No minority interest has been accounted for as it is believed the Company owns, in effect, 100% of PDN.

On 16th June, 2006, the Company acquired control of PDN for a consideration of US \$19,113,229, which includes an adjustment of US \$113,229 for certain working capital but excludes professional fees.

In calculating the good will arising on acquisition, the fair market value of net assets of PDN have been assessed and adjustments from book value have been made as necessary. These adjustments are summarised in the following table.

	Book value	Fair value adjustments	Fair value on acquisition
	\$	\$	\$
Fixed Assets			
- Pipeline	620,430	9,379,570	10,000,000
- Oil and Gas assets	5,949,136	3,317,783	9,266,919
- Other Long term Investments	262,397	(146,754)	115,643
	<u>6,831,963</u>	<u>12,550,599</u>	<u>19,382,562</u>
Current Assets			
- Debtors	1,373,740	(39,925)	1,333,815
- Inventory	48,905	-	48,905
- Cash	226,512	-	226,512
Total Assets	<u>8,481,120</u>	<u>12,510,674</u>	<u>20,991,794</u>
- Creditors	(466,110)	-	(466,110)
- Loans	(940,021)	-	(940,021)
Net Assets	<u><u>7,074,989</u></u>	<u><u>12,510,674</u></u>	<u><u>19,585,663</u></u>

The Consideration for acquisition was made up as follows:

	\$
Cash	12,113,229
Proceeds of loan (see note 12)	7,000,000
Professional Fees	472,434
Total consideration	<u>19,585,663</u>
Fair value of nets assets acquired (above)	<u>19,585,663</u>
Goodwill arising on acquisition	<u>-</u>

The fair value adjustment to the carrying cost of the pipeline was determined by the Directors based on a Gaffney Cline report commissioned as part of the due diligence work.

The fair value of all the other non oil and gas assets and liabilities relates to the assessed fair value of these balances on acquisition.

For the period prior to acquisition, PDN recorded a loss of US \$1,214,668. This was due to certain service charges rendered by the previous owner. In the post acquisition period, PDN recorded a net profit of US \$230,509. This has been consolidated into the Group's net earnings.

11. Bridge Loan

As part of the acquisition of PDN, the Company took out a US\$7 million bridge loan from Macquarie Bank Limited. The loan expires on 15th March 2007 and carries an interest rate of LIBOR plus 5.5%. The loan is secured against the assets of PetroLatina and its subsidiaries, including PDN.

It is intended to replace the loan with a long term reserve based loan in due course.

12. Post Balance Sheet Events

On 10th August, 2006 the Company issued and allotted 250,000 new ordinary shares following the exercise of the equivalent number of \$0.10 warrants in the Company by an existing shareholder, Taghmen Ventures Limited (“Taghmen Ventures”).

In August and Septemeber, 2006 the Company raised £4,200,040 and £973,000 through two placements of 21,000,200 and 4,865,000 ordinary shares of \$0.10 with UK investors. Applications were made for the new ordinary shares to be admitted to trading on AIM and dealings commenced on 1st September and 25th September 2006 respectively.

13. Material Non Cash Transactions

In March, 2006 311,688 the Company issued new ordinary shares of \$0.10 each to Terra Seis (Malta) Limited in consideration for commercial services relating to the acquisition of seismic data on the Company’s Guatemalan operations.

In June, 2006 the Company issued 7 million warrants to Macquarie Bank Limited to subscribe for ordinary shares of \$0.10 each at a price of £0.55, exercisable between March 2007 and June 15th 2010.