

8 February 2010

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

**Resource Update**

**Proved, Probable and Possible Reserves Independently Valued at \$247 million**

PetroLatina (AIM: PELE), an independent oil and gas exploration, development and production company focused on Latin America, announces that Ryder Scott Company, L.P. ("Ryder Scott"), the independent petroleum consultants, has recently completed an updated assessment of the reserves, future production and income attributable to the Company's concessions in Colombia as at 30 November 2009.

Ryder Scott reported the following summary reserve estimations as at 30 November 2009:

<b>RYDER SCOTT RESERVES REPORT: VOLUMES OF OIL AND GAS</b>			
	<b>Net Reserves To Company</b>		
<b>Reserves Category</b>	<b>At 31-Dec-07</b>	<b>At 30-Dec-09</b>	<b>Change %</b>
<b>Proved Reserves</b>			
Oil (millions of barrels)	<b>2.54</b>	3.36	32.3%
Gas (Billions of cubic feet)	1.28	<b>1.15</b>	-9.6%
<b>Total 1P (million boe):</b>	<b>2.75</b>	<b>3.55</b>	<b>29.1%</b>
<b>Probable Reserves</b>			
Oil (millions of barrels)	2.31	2.54	9.7%
<b>Total 2P (million boe):</b>	<b>5.06</b>	<b>6.09</b>	<b>20.2%</b>
<b>Possible Reserves</b>			
Oil (millions of barrels)	2.27	5.32	134.0%
<b>Total 3P (million boe):</b>	<b>7.34</b>	<b>11.40</b>	<b>55.5%</b>

As set out in the table above, the Company's proven hydrocarbon reserves principally comprise approximately 95 per cent. oil and 5 per cent. gas. Although reserves have increased across all categories, the largest increase is in Possible Reserves, reflecting the Company's discovery during 2009 of additional oil reserves at its Colon and Chuirra fields. As these two fields are in the early stages of development, the reserves assigned by Ryder Scott relate only to that portion of the discovery for which well data is currently

available. The Directors anticipate that further drilling planned for 2010 will serve to substantially increase these Possible Reserves as well as moving an element of them into the Probable Reserves and Proved Reserves categories.

In addition to the increase in reserves reported above, the Company notes that during the period from 31 December 2007 to 30 November 2009 it has produced and sold a total of 0.273 million barrels of oil.

Ryder Scott's report also confirmed its 2007 Reserves Report finding to the effect that significant 3P reserves remain to be developed and produced in the Santa Lucia field. These amount of 3.415 million barrels recoverable net to the Company. A further five development drilling locations have been identified in Santa Lucia and the Company has therefore mobilised a rig to this field and is currently drilling the Santa Lucia-4 well. Although the Company holds only a 20 per cent. interest in this field, the La Paz reservoir produces oil of higher gravity and has higher production rates and greater ultimate per well recoveries than those experienced in several of the Company's other operated fields, such as Los Angeles.

Ryder Scott's study also reviewed the exploration prospects currently being evaluated by PetroLatina and concluded that the Company's estimate that these could contain approximately 19.24 million barrels of recoverable oil on an unrisks basis was reasonable. These Prospective Resources principally relate to resources potentially recoverable from: (a) the Zoe prospect on the PetroLatina operated Midas block held under Colombia's Agencia Nacional de Hidrocarburos ("ANH") terms and which was drilled, logged and cased after the date of the Ryder Scott report; (b) potential extensions to the existing PetroLatina operated Santa Lucia field, where development drilling is now under way; (c) resources potentially relating to a seismically defined structural prospect known as the Santa Lucia Sur which is situated south of and on trend with the producing Santa Lucia field; and (d) the extension to the south of that same Santa Lucia Sur prospect into the PetroLatina operated La Paloma block. This portion of the prospect has 3D seismic coverage and is known as Llamador. La Paloma is also held under ANH terms and contains the Company's 2009 Colon discovery.

An operational update in respect of the Zoe-1 exploration well is set out in a separate announcement published today.

## **NPV10**

Based upon crude oil futures prices as of 30 November 2009 adjusted for each property, the Net Present Value at a 10 per cent. discount ("NPV10") of the aforementioned Proved Reserves was estimated by Ryder Scott at \$71 million (December 2007: \$47.7 million). The NPV10 of the 2P reserves totalled \$140.3 million (December 2007: \$108.8 million) and the NPV10 of the 3P reserves totalled \$247.0 million (December 2007: \$164.9 million).

The above NPV10 valuations do not take account of the exploration potential in respect of the Company's interests in Colombia and Guatemala which the Directors believe could be substantial. Furthermore, Ryder Scott's assessment does not include any valuation of the Company's Rio Zulia-Ayacucho pipeline asset in the Catatumbo basin, which was valued at up to \$30 million on a PV12 basis by Gaffney Cline & Associates in 2006.

**Juan Carlos Rodriguez, Chief Executive Officer of PetroLatina, said:**

*"We believe that Ryder Scott's report supports our view that PetroLatina has significant potential to create value for its shareholders. The sizeable increase in the value of our reserves reflects the eight successful wells drilled by the Company in 2009. Our plan continues to be to convert our Probable and Possible Reserves into Proved Reserves and considerably increase production and cash flow through the ongoing drill programme."*

A copy of the executive summary of Ryder Scott's report can be viewed on PetroLatina's website at [www.petrolatinaenergy.com](http://www.petrolatinaenergy.com). As in all aspects of oil and gas evaluation, there are uncertainties inherent in the interpretation of engineering data and all conclusions represent only informed professional judgments.

Proved and probable oil and gas reserves are estimated quantities of commercially producible hydrocarbons which the existing geological, geophysical and engineering data show to be recoverable in future years from known reservoirs. The Proved Reserves reported by Ryder Scott, conform to the definition approved by both the Society of Petroleum Engineers ("SPE") and the World Petroleum Congress ("WPC"). The Probable Reserves and Possible Reserves reported by Ryder Scott conform to the definitions of Probable and Possible Reserves approved by the SPE and WPC using the deterministic methodology.

Mr Menno Wiebe, a Non-executive director of the Company, has reviewed and approved the technical information contained within this announcement in his capacity as a qualified person, as required under the AIM rules. Mr Wiebe is a Petroleum Geologist and has been a Member of the American Association of Petroleum Geologists for more than 25 years and a Member of the Geological Society for more than 5 years.

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### Additional Information on PetroLatina Energy Plc:

PetroLatina Energy Plc (AIM: PELE) is presently focused on Colombia where it currently holds 45% and 20% interests respectively in the Los Angeles and Santa Lucía fields on the Tisquirama licence, and a 100% interest in the Doña María field. In November 2007 the Company secured the extension of the Tisquirama licence for the economic life of the fields. In April 2006 the Group acquired an interest in two exploration blocks: an 85% interest in Midas and an 80% interest in La Paloma. PetroLatina also owns the Río Zulia-Ayacucho pipeline in the prolific Catatumbo basin which transports crude oil. Present exploration/exploitation activities in this area should increase the volume of crude oil transported resulting in an increased cash flow. Having sold its assets in Guatemala PetroLatina retains a 20% interest in the first three wells and a 20% working interest in future wells. Further information is available on the Company's website ([www.petrolatinaenergy.com](http://www.petrolatinaenergy.com)).

### Glossary of key technical terms:

2P	the sum of Proved Reserves plus Probable Reserves.
3P	the sum of Proved, Probable and Possible Reserves.
Boe	gas is converted to barrels of oil equivalent at the standard ratio of 1 barrel of oil = 6 thousand cubic feet of natural gas.
NPV10	the net present value of estimated future revenues to be generated from the production of reserves discounted using an annual discount rate of 10%.
Possible Reserves	those unproved reserves which analysis of geological and engineering data suggests are less likely to be recoverable than probable reserves. In this context, when probabilistic methods are used, there should be at least a 10% probability that the quantities actually recovered will equal or exceed the sum of estimated Proved plus Probable plus Possible reserves.
Probable Reserves	those unproved reserves which analysis of geological and engineering data suggests are more likely than not to be recoverable. In this context, when probabilistic methods are used, there should be at least a 50% probability that the quantities actually recovered will equal or exceed the sum of estimated Proved plus Probable reserves.

Prospective Resources	those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations. Potential accumulations are evaluated according to their chance of discovery and, assuming a discovery, the estimated quantities that would be recoverable under defined development projects. It is recognized that the development programmes will be of significantly less detail and depend more heavily on analogue developments in the earlier phases of exploration.
Proved Reserves or 1P	those quantities of petroleum which, by analysis of geological and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under current economic conditions, operating methods and government regulations. Proved reserves can be categorised as developed or undeveloped. If deterministic methods are used, the term reasonable certainty is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate.
SPE	The Society of Petroleum Engineers.
Unproved Reserves	based on geologic and/or engineering data similar to that used in estimates of proved reserves; but technical, contractual, economic or regulatory uncertainties preclude such reserves being classified as proved. Unproved reserves may be further classified as probable reserves and possible reserves.
WPC	World Petroleum Congress.