

JOINT PRESS RELEASE

PETROMINERALES ACQUIRES AN ADDITIONAL 25% OF BLOCK 126 FROM VERAZ PETROLEUM

Calgary, Canada and Bogotá, Colombia – October 13, 2010 – Petrominerales Ltd. (“**Petrominerales**”) (TSX:PMG), a 66% owned subsidiary of Petrobank Energy and Resources Ltd. (“TSX:PBG”), and Veraz Petroleum Ltd. (“**Veraz**”) (TSX-V:VRZ) (Petrominerales and Veraz collectively referred to herein as the “**Companies**”) are pleased to announce that Petrominerales has agreed to acquire an additional 25% interest from Veraz in Block 126 in east central Peru.

Under the terms of the agreement, Petrominerales will pay consideration to Veraz including a cash payment and carry for expenditures incurred through the upcoming drilling program on Block 126 totalling USD \$6.75 million. Additionally, a bonus of up to USD \$8.0 million is payable based on reaching certain aggregate production levels on Block 126. Lastly, Petrominerales has granted Veraz a 20% working interest in Block 161 in the Ucayali Basin and Block 141 in the Titicaca Basin.

Blocks 141 and 161 were acquired by Petrominerales through its acquisition of Pan Andean Resources plc in April 2010.

Block 141, situated in southern Peru, is 1.3 million acres in size and is currently held 100% by Petrominerales. The Pirin field, situated on trend to the southeast of Block 141, produced approximately 300,000 bbls of light (36 degree API) oil between 1875 and 1915, but little work has been done since. Current commitments, to be completed by May 2011, include the acquisition, processing and interpretation of 300 kilometres of 2D seismic.

Block 161, situated in east central Peru, is 1.2 million acres in size and is currently held 100% by Petrominerales. Current commitments, to be completed by June 2012, include the acquisition of 350 kilometres of new 2D seismic data and an updated geological and geophysical report incorporating existing geological data and reprocessed seismic.

Mr. Oppe Cosijn, President and CEO of Veraz, stated “this is a pivotal transaction for Veraz. The Corporation has expanded its opportunity base in Peru to include two additional blocks and further strengthened its relationship with Petrominerales, one of the premier E&P companies in South America”.

The Companies have finalized the drilling locations for Block 126. Initial infrastructure and road work will proceed shortly with drilling planned for the second quarter of 2011.

***Petrominerales Ltd.** is a Latin America-based exploration and production company producing oil in Colombia with 17 exploration blocks covering a total of 2.1 million acres in the Llanos and Putumayo Basins and five exploration blocks in Peru covering a total of 9.4 million gross (5.4 million net acres in the Ucayali and Titicaca Basins. Petrominerales is 66% owned by Petrobank Energy and Resources Ltd. (TSX:PBG).*

***Veraz Petroleum Ltd.** is a junior South American focused oil and gas exploration company based in Calgary, Alberta.*

Forward-Looking Statements. Certain information provided in this press release constitute forward-looking statements. The words "anticipate", "expect", "project", "estimate", "forecast", "plan" and similar expressions are intended to identify such forward-looking statements. Specifically, this press release contains forward-looking statements relating to future drilling and exploration plans. 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 activities; timing and rig availability, fluctuation in foreign currency exchange rates; 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 Companies. There is no representation by the Companies 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, The Companies assume 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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