



Press Release

January 28, 2010

### **Petrolifera completes Vaca Mahuida farm-out in Argentina**

CALGARY - Petrolifera Petroleum Limited (PDP - TSX) announces today that it has entered into an agreement ("Farmout") with a subsidiary of Americas Petrogas Inc. ("Americas Petrogas") (TSXV:BOE) to farm out the 253,000 acre Vaca Mahuida Block, located in the Neuquen Basin in the Province of Rio Negro onshore Argentina. After completion of the committed work program and related expenditures, ownership of the Block would be 25 percent by Petrolifera, as operator; 25 percent by Americas Petrogas; 25 percent by Brownstone Ventures Inc. ("Brownstone"); and 25 percent by Serrante S.A., a private company related to Americas Petrogas.

Under the terms of the Farmout, Petrolifera will be reimbursed for certain past costs incurred by the company and will be carried for its share of anticipated costs of the remaining exploration activities needed to fulfill the committed work units, under the first period of the exploration permit originally awarded to Petrolifera which expires on May 31, 2010.

The exploration activities and commitments for which Petrolifera will be reimbursed or carried, at no cost to Petrolifera, include the drilling of four exploratory wells (depths ranging from 1,000 meters to 1,500 meters), reimbursement of the back-costs of the exploratory well VM-2014 and, if required, payments in cash to the government of Rio Negro for the value of the outstanding amount for any work units that have not been incurred by the end of the first exploration period.

Exploratory well VM-2014, drilled and cased by Petrolifera with its existing joint venture partner Brownstone, encountered a number of zones of interest, including some with crude oil shows in side wall cores, and it will shortly be under evaluation for testing and possible completion as a new discovery.

The Vaca Mahuida farmout was undertaken by Petrolifera as part of its risk-management strategy. It will reduce Petrolifera's exploration commitments in Argentina, thereby allowing the capital to be dedicated to other near term commitments, mainly in Colombia, while the company will still retain a meaningful participation in a significant, operated exploration program, at no financial cost.

Petrolifera is a Calgary-based crude and natural gas exploration, development and production company with extensive onshore holdings in Argentina, Colombia and Peru. Petrolifera operates all of its properties and currently owns a 100 percent working interest in all but the Vaca Mahuida Block in Argentina and in its Turpial License in Colombia. The company anticipates a remedial work program will shortly be undertaken at its La Pinta 1-X exploratory discovery, situated on its Sierra Nevada License in Colombia. This is anticipated to commence upon the arrival of the contracted snubbing unit at the well location. The snubbing unit was shipped from North America in January 2010. Also, the Brillante exploratory well, located on the Sierra Nevada License onshore Colombia, targeting a significant potential accumulation of natural gas and natural gas liquids is anticipated to spud in early 2010.

## **Forward Looking Information**

*This press release contains forward looking information including, but not limited to, future exploration activities in respect of the Vaca Mahuida Block in Argentina, including expenditures to be made by Americas Petrogas, Brownstone and Serrante S.A. to earn an interest in the Block, plans to evaluate and, depending on the results of the evaluation, test and complete the VM-2014 well, the company's plans to remediate and test the La Pinta 1-X well in Colombia, the planned drilling in early 2010 of the Brillante exploratory well in Colombia and the anticipated results from the Brillante well. Forward looking information is not based on historical facts but rather on Management's expectations regarding the company's future growth, results of operations, production, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, plans for and results of drilling activity, environmental matters, business prospects and opportunities and expectations with respect to general economic conditions. Such forward looking information reflects Management's current beliefs and assumptions and is based on information currently available to Management. Forward looking information involves significant known and unknown risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward looking information, including but not limited to, risks associated with the oil and gas industry (e.g. operational risks in development, exploration and production, unavailability of or delays in receipt of required equipment, delays or changes to plans with respect to exploration or development projects or capital expenditures; the uncertainty associated with geological interpretations; the uncertainty of reserve estimates; the uncertainty of estimates and projections in relation to production, costs and expenses and health, safety and environment risks), the risk of commodity price and foreign exchange rate fluctuations, the uncertainty associated with negotiating with foreign governments and third parties located in foreign jurisdictions and the risk associated with international activity. There can be no assurance that planned remediation efforts and subsequent testing of the La Pinta 1-X well drilled on the Sierra Nevada I License will yield commercial results. Hydrocarbon shows and results of logs do not confirm the presence of commercial hydrocarbons. Additional risks and uncertainties associated with Petrolifera's future plans are described in Petrolifera's Annual Information Form for the year ended December 31, 2008. Although the forward looking information contained herein is based upon assumptions which Management believes to be reasonable, the company cannot assure investors that actual results will be consistent with this forward looking information. This forward looking information is made as of the date hereof and the company assumes no obligation to update or revise this information to reflect new events or circumstances, except as required by law. Because of the risks, uncertainties and assumptions inherent in forward looking information, prospective investors in the company's securities should not place undue reliance on this forward looking information.*

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