



**PetroGlobe Inc.
Press Release – June 29, 2010**

**PETROGLOBE INC. ANNOUNCES BUSINESS COMBINATION WITH ARGENTINA-
FOCUSED PRIVATE OIL AND GAS COMPANY, RECAPITALIZATION
AND CHANGE IN BOARD AND MANAGEMENT**

CALGARY, ALBERTA, June 29, 2010 - PetroGlobe Inc. ("**PetroGlobe**") (TSXV: "**PGB**") is pleased to provide details concerning a definitive agreement dated June 28, 2010 (the "**Agreement**") with ArPetrol Inc. ("**ArPetrol**"), which contemplates the following (collectively, the "**Transactions**"):

- under the terms of the Agreement, PetroGlobe will amalgamate by way of a plan of arrangement (the "**Amalgamation**") with ArPetrol (the amalgamated entity is referred to herein as the "**Corporation**") on the basis of 9 shares of the Corporation (each an "**Amalco Share**") for each share of ArPetrol (each an "**ArPetrol Share**") issued at a deemed price of \$0.20 per share of the Corporation and 1 share of the Corporation for each share of PetroGlobe (each a "**PetroGlobe Share**"). The Amalgamation is at arms length and will result in a "reverse take-over" of PetroGlobe pursuant to the policies of the TSX Venture Exchange ("**TSXV**");
- a new management team will be appointed led by Tim Thomas as President and Chief Executive Officer, Jason James as Chief Financial Officer and Troy Wagner as Vice President, Argentina (the "**New Management**") (see biographical information below);
- a new board of directors will be comprised of the current directors of ArPetrol: Claudio Ghersinich (Chairman), Abby Badwi, Jeff Boyce, Martin Robert, Tim Thomas and Ronald Williams (the "**New Directors**") (see biographical information below); and
- the Corporation will be recapitalized through brokered private placements of subscription receipts of PetroGlobe ("**Subscription Receipts**") at a price of \$0.20 per Subscription Receipt for aggregate gross proceeds of \$20 million on a commercially reasonable efforts basis, with approximately \$5 million being invested by president's list investors (including \$1.6 million being invested by the New Management, New Directors and other insiders) and the remainder from other qualified investors (collectively, the "**Private Placements**").

The Corporation will continue under the name "ArPetrol Inc." Trading of PetroGlobe Shares has been halted pending finalization of the terms of the Transactions and this news release describing the Transactions. Trading of PetroGlobe Shares is expected to resume on or about June 30, 2010.

Pro-Forma Highlights

Assuming the completion of the Transactions (which is targeted for on or around September 15, 2010), the Corporation is expected to have the following attributes (on a pro forma basis):

Production ¹	700 - 750 boepd ⁴
Proved Reserves ²	5.4 MMboe ⁴
Proved plus Probable Reserves ²	9.0 MMboe ⁴
Working Capital ³	Approx. \$17 million (net of transaction costs)
Undrawn Credit Facilities	\$3.6 million

Notes:

1. This is based on average daily production of ArPetro and PetroGlobe as of June 5, 2010 of 750 boepd.
2. Based on the December 31, 2009 Gaffney, Cline & Associates reserves report for ArPetro and the December 31, 2009 Ryder Scott Company reserves report for PetroGlobe.
3. Assuming \$20 million is raised pursuant to the Private Placements.
4. The term "boe" may be misleading, particularly if used in isolation. A boe conversion of 6 Mcf:1 bbl is based upon an energy equivalency conversion method primarily applicable at the burner tip and it does not represent a value equivalency at the well head.

Upon completion of the Transactions, with \$20 million being raised under the Private Placements, the Corporation is expected to be debt free with a working capital position of approximately \$17 million (net of transaction costs). The production will include working interest production of approximately 280 boepd in Canada, where the Corporation will operate 95% of its production and hold a 61% working interest position in 37,920 gross acres of undeveloped land. Of these lands, approximately 9.4 net sections (6,016 acres) have been recognized as being prospective for hydrocarbons in the Cardium zone with up to fifteen locations identified for possible horizontal drilling. In Argentina, the Corporation will own and operate 100% of approximately 440 boepd of production from its Faro Virgenes concession. The Corporation's Argentine assets will also include expected prolific redevelopment wells, several anticipated high impact, low cost exploration targets, a strategically located 85 mmcf/d gas plant (at full capacity) and a 65% working interest in 60,244 gross acres of undeveloped lands.

Merits of the Transaction and Corporate Strategy

The Transactions provide the Corporation with an experienced management team and board of directors to execute a fully-funded capital program on an inventory of drilling opportunities in Canada and Argentina. The Transactions are expected to provide additional growth to, and diversification of, ArPetro's and PetroGlobe's current production and reserves base.

The Corporation's growth strategy is expected to have the following elements:

- Focus on expanding its core operation and cash-flow base in both Canada and Argentina;
- Provide near-term organic growth from the exploitation of its properties prospective for oil in the Cardium zone;
- Drill low cost and high reward exploration wells identified in Argentina;
- Drill low risk and high impact redevelopment wells at Faro Virgenes in Argentina; and
- Pursue strategic acquisitions in Canada and Argentina.

The Corporation's target for organic growth is projected to be approximately 4,600 boepd by the end of 2011 based on the planned capital program, development success and other assumptions set forth elsewhere in this press release.

Boards of Directors' Recommendations

The board of directors of each of PetroGlobe and ArPetrol has considered the Amalgamation at length and has, based upon the fairness opinion of its respective financial advisors and other considerations, determined that the Transactions are fair to their respective shareholders and are in the best interests of PetroGlobe and ArPetrol, respectively, and recommends that its respective shareholders approve the Transactions. The board of directors and officers of each of PetroGlobe (holding 1.4% of the PetroGlobe Shares) and ArPetrol (holding 47% of the ArPetrol Shares) have entered into support agreements in which they have agreed, among other things, to vote in favour of the Transactions, subject to certain conditions.

New Management Team

The New Management brings a long and successful track record in the international and Canadian oil and gas sectors. This experience spans all areas of the upstream oil and gas business, including conventional and unconventional resource plays and operational success in numerous countries worldwide, including Canada, Argentina, UK, Yemen and Indonesia. The New Management has demonstrated operational expertise and helped build international oil and gas organizations creating value from under-developed resources through the effective application of people, technical expertise, North American technologies and capital.

Timothy J. Thomas, P.Eng. President & CEO

Mr. Thomas is a professional engineer with more than 32 years of oil and gas experience. Most recently, Tim was Senior Vice President Canadian Oil and Gas and an officer at Nexen Inc. (TSX, NYSE), a successful oil & gas company with assets in Canada, US, UK, Yemen, Nigeria and Colombia. He served in senior executive roles in Canada, Yemen, UK and Indonesia. During his 18 year career with Nexen, he was instrumental in identifying and positioning the company in the Horn River shale gas property and maintaining Canadian production levels through selective investments. While the President and General Manager in Yemen he identified and led the capital investments to raise production to a plateau rate of 230,000 boepd. In addition, he was responsible for a wide range of upstream exploration and production projects and business development activities in Nigeria, Colombia, Vietnam, Pakistan and Australia. Prior to Nexen, Tim worked for Gulf Canada (formerly TSX, NYSE) with a focus on the Arctic and East Coast areas and Texaco (formerly NYSE) where he worked on both development and exploration activity in the North Sea.

Jason E. James, CA CFO

Mr. James is a chartered accountant with more than 16 years of finance, business development, strategic planning and tax experience, operating in Canada. He has held the position of CEO and director of PetroGlobe Inc. for the past three years. Jason has been instrumental in leading PetroGlobe through the financing and development of its Cardium assets and executing its strategic initiatives.

Troy Wagner, P. Eng. MBA
Vice President, Argentina

Mr. Wagner is a professional engineer and MBA graduate with 18 years of engineering and management experience. Prior to joining ArPetrol in 2007 as the in-country manager in Argentina, Mr. Wagner was COO and VP Engineering of Elworth Energy/Triangle USA Petroleum (OTC - US), a company focused on developing domestic and international shale gas projects. Mr. Wagner also spent 10 years at NAL Resources Management Ltd. (TSX) managing assets with combined production of 36,000 boepd. As the Vice President of Operations at NAL, Mr. Wagner was responsible for leading all technical and operations staff with annual Capital and Operating budgets of over \$175 million and \$110 million per year, respectively.

In addition, the New Management team is actively recruiting a Vice President of Exploration and a Manager of Operations.

Board of Directors

The New Directors have strong track records in the oil and gas industry. The New Directors have held executive and director positions with a number of successful companies with operations in Canada, USA, Europe, Africa, Asia, the Middle East, Australia and South America.

Claudio A. Ghersinich,
P.Eng.
Chairman

Claudio Ghersinich is an independent businessman and professional engineer with more than 30 years of oil and gas experience. He is a co-founder and former Executive VP and VP Business Development of Vermilion Energy Trust (TSX). He has served on the Board of Directors of various public companies including Verenex Energy Inc. (formerly TSX), Vermilion Energy Trust (TSX), Aventura Energy Inc. (formerly TSX), Bulldog Energy Inc. (TSX), Bulldog Resources Inc. (formerly TSX) and Pegasus Oil & Gas Inc. (formerly TSXV), as well as several private and non-profit organizations. These companies have operated assets in Canada, Europe, Libya, Trinidad, Argentina and Australia. He has been Chairman of ArPetrol Inc. since its inception.

Abdel F. Badwi, P. Geol.
Director

Abby Badwi is an international energy executive and professional geologist with more than 35 years experience in the exploration, development and production of oil and gas fields in North America, South America, Europe, Asia and the Middle East. Mr. Badwi has been a director of ArPetrol Inc. since its inception. He is currently President & CEO of Bankers Petroleum Ltd. (TSX, London-AIM), an oil & gas company with heavy oil operations in Albania. Previously, he served as President & CEO of Rally Energy Ltd. (formerly TSX, Frankfurt) which had heavy oil operations in Egypt and other assets in Pakistan and Canada, and which was sold in 2007. He has been an officer and director of several Canadian public and private companies and is currently a director of Bankers Petroleum Ltd. (TSX, London-AIM), PanWestern Energy Inc. (TSXV) and ArPetrol Inc.

**Jeffrey S. Boyce
Director**

President & CEO of Sure Energy Inc. (TSX). Previously, Mr. Boyce was the President & CEO of Clear Energy Inc. (formerly TSX) and prior thereto, President & CEO, co-founder of Vermilion Resources Ltd. As one of the founders, Mr. Boyce was directly involved in stewardship of Vermilion Resources Ltd. which grew from having \$200,000 in the bank in 1994 to a business with a current enterprise value exceeding \$3 billion. Mr. Boyce has more than 30 years experience in public financial markets, corporate planning, negotiating, developing land and exploration strategies, and managing oil and gas companies. Mr. Boyce has served on the Board of Directors of various public, private and non-profit organizations. These companies have operated assets in Canada, Europe, Trinidad, Argentina, Colombia and Australia. Mr. Boyce has been a director of ArPetrol Inc. since its inception.

**Martin E. Robert, P. Eng.
Director**

Mr. Robert brings more than 22 years of experience in the Canadian and International oil and gas industry. Mr. Robert has been the President & CEO of ArPetrol Inc. since the fall of 2006. He has extensive managerial and operational experience in Canada, France, The Netherlands, Russia and Argentina and previously held the positions of Vice President of Engineering and International Operations at Vermilion Energy Trust (TSX) and President of Vermilion REP SA in France.

**Timothy J. Thomas, P. Eng.
Director**

(See above)

**Ronald A. Williams, CA
Director**

Mr. Williams joined the ArPetrol Board in June 2007 and brings over 19 years of domestic and international oil and gas industry experience. Mr. Williams has an extensive background in the areas of audit, finance and taxation as well as property and corporate acquisitions. Mr. Williams was the Vice President, Finance and Chief Financial Officer of Stonefire Energy Corp. (formerly TSXV) a public company sold in 2010. Prior thereto, Mr. Williams was the Director, Finance for Vermilion Energy Trust (TSX).

The existing PetroGlobe board of directors will resign in connection with the Transactions and the New Directors will become the board of directors of the Corporation at the effective time of the Amalgamation.

Private Placements

PetroGlobe will be recapitalized prior to closing the Amalgamation with proceeds from brokered private placements of 100 million Subscription Receipts at a price of \$0.20 per Subscription Receipt for aggregate gross proceeds of \$20 million on a commercially reasonable efforts basis, with \$5 million being invested by president's list investors, including approximately \$1.6 million being invested by the New Management, New Directors and other insiders (the "**Insider Private Placement**"), and the remainder from other qualified investors.

Closing of the Private Placements is anticipated to occur by mid-August. The proceeds of the Private Placements will be held in escrow pending satisfaction of the conditions to release, including PetroGlobe's and ArPetrol's receipt of all necessary approvals for the Private Placements and the Amalgamation. Immediately prior to completion of the Amalgamation (assuming the conditions to release are met), the proceeds of the Private Placements will be released to PetroGlobe and each Subscription Receipt will be exchanged for one PetroGlobe Share without additional payment and without any further action on the part of the holder. Each

PetroGlobe Share will then be converted pursuant to the Amalgamation into one Amalco Share. Subject to approval by the TSXV, such Amalco Shares will be listed and posted for trading on the TSXV and will not be subject to any restricted period under applicable Canadian securities laws. If closing of the Amalgamation does not take place by October 15, 2010 or the Agreement is terminated at any earlier time, holders of the Subscription Receipts will be entitled to a return of their full subscription price and their pro rata entitlement to the interest earned on the escrowed funds.

Each officer, director or employee participating in the Insider Private Placement will have received warrants in either PetroGlobe or ArPetrol, as applicable, prior to the closing of the Insider Private Placement. The warrants of PetroGlobe and ArPetrol will be exchanged on the Amalgamation for warrants of the Corporation (each an "**Insider Warrant**") such that the insider will receive one Insider Warrant for each Amalco Share it receives pursuant to the Insider Private Placement. It is currently estimated that there will be a total of 8 million Insider Warrants in the Corporation following the Amalgamation. The new Insider Warrants will have an exercise price of \$0.30, a term of 5 years and will vest in thirds upon the 12, 18 and 24 month anniversaries of the date of grant if the Amalco Shares reach a 20-day volume-weighted average price of \$0.40 per share at any time after issuance.

In respect of the Private Placements, PetroGlobe has entered into a letter agreement with Canaccord Genuity Corp. pursuant to which Canaccord Genuity Corp. and Thomas Weisel Partners Canada Inc. have agreed to act as co-lead agents on behalf of a syndicate of agents which will also include Haywood Securities Inc., Cormark Securities Inc. and FirstEnergy Capital Corp. It is expected that the agents will be paid a cash fee equal to 2.0% on up to \$5 million of total gross proceeds from the Insider Private Placement and the president's list subscribers and 6.0% on the total gross proceeds from the remainder of the Private Placements to other qualified third party investors.

Proceeds from the Private Placements will be used to fund the Corporation's capital program to drill the Corporation's Cardium targets and Argentine expected low cost/high reward exploration projects and for general working capital purposes. The Agreement provides that completion of the Private Placements in a minimum amount of \$20 million is a mutual condition precedent for both parties to the closing of the Amalgamation (unless amended or waived).

The Private Placements are subject to the receipt of TSXV approval. The Amalco Shares to be received by insiders, including those to be received pursuant to the Insider Private Placement, together with their Insider Warrants, will be subject to escrow pursuant to TSXV policies.

Overview of the Transaction, Incentives and Capitalization

Under the terms of the Agreement, each outstanding ArPetrol Share will be exchanged for 9 Amalco Shares at a deemed price of \$0.20 per Amalco Share, and each PetroGlobe Share will be exchanged for 1 Amalco Share. PetroGlobe currently has approximately 81.2 million PetroGlobe Shares outstanding and ArPetrol currently has approximately 26.6 million ArPetrol Shares outstanding.

The pro forma capitalization of the Corporation following the Amalgamation is described in the table below and assumes the following: (i) that \$20 million will be raised under the Private Placements; and (ii) with respect to the options and warrants to acquire 2,475,000 Amalco Shares that will expire 90 days following the closing of the Transactions (which are held by insiders and employees of ArPetrol and PetroGlobe which will not be continuing), the vested options and

warrants that will have an exercise price of \$0.20 or less (approximately 1,025,000) will be exercised and the remainder (approximately 1,450,000) will expire unexercised. These assumptions are referred to as the "**Pro Forma Capitalization Assumptions**". Following the closing of the Transactions and based on the Pro Forma Capitalization Assumptions: (i) the Corporation will have approximately 431.4 million Amalco Shares outstanding, of which approximately 25.4% of the Amalco Shares will be owned or controlled by the New Management and New Directors; (ii) on a diluted basis, the New Management and New Directors will own or control approximately 30.9% of 470.9 million diluted Amalco Shares; and (iii) there will be outstanding options representing on an aggregate basis approximately 6.0% of the issued and outstanding Amalco Shares. The Corporation's options (which are described below) will be subject to a rolling option plan for up to 10% of the Amalco Shares outstanding from time to time and will be subject to TSXV policies and guidelines.

Expected Pro-Forma Capitalization Following Amalgamation		<u>Amalco Shares</u>	<u>%</u>
<u>(Based on the Pro-Forma Capitalization Assumptions)</u>			
PetroGlobe Inc. Equity (1:1) ¹		81,584,543	
ArPetrol Inc. Equity (9:1) ²		249,787,080	
Insider Private Placement ³		8,000,000	
Non-Insider Private Placement ³		92,000,000	
<hr/>			
Amalco Shares Outstanding (basic)		431,371,623	
Amalco Shares Issuable from New Amalco Options ⁴		22,720,000	
Amalco Shares Issuable from Continuing Old ArPetrol/PetroGlobe Options (avg. weighted price \$0.17) ⁵		3,068,334	
		<hr/>	
		25,788,334	6.0%
New Insider Warrants (exercise price at \$0.30, vesting hurdle at \$0.40 and in thirds after 12, 18 and 24 months) ⁶		8,000,000	
Continuing Old ArPetrol Performance Warrants (one third vested with remaining thirds to vest at \$0.334 and \$0.445) ⁷		5,400,000	
PetroGlobe Broker Warrants ⁸		330,000	
		<hr/>	
		13,730,000	3.2%
<hr/>			
Fully Diluted Shares ⁹		470,889,957	
New Management & New Directors' Ownership		Basic	25.4%
		Fully Diluted	30.9%

Notes:

1. This assumes that 425,000 expiring PetroGlobe in the money options have been exercised within 90 days post-closing (exercise price range between \$0.095 and \$0.14).
2. This assumes that: (i) 600,000 expiring in-the-money Old ArPetrol Performance Warrants (with an exercise price of \$0.112 per Amalco Share) have been exercised within 90 days post closing; (ii) 1,040,000 outstanding ArPetrol options (with an exercise price of \$0.50 per ArPetrol Share) are exercised prior to closing; and (iii) 40,000 of the ArPetrol options (with an exercise price of \$2.00 per ArPetrol Share) held by a former employee expire unexercised prior to closing.
3. This may change if the Insider Private Placement portion of the Private Placements is increased. This assumes the Private Placements are fully subscribed and converted to 100 million Amalco Shares.
4. 22,720,000 Amalco Shares will be purchasable at an exercise price of \$0.20 pursuant to new options granted prior to the closing of the Transactions by ArPetrol and PetroGlobe to continuing insiders and employees. This does not include any option allocations for future hires.
5. 3,068,334 Amalco Shares will be purchasable at a weighted average price of \$0.17, of which: (i) 1,618,334 Amalco Shares will be purchasable between \$0.095 and \$0.17 and 100,000 will be purchasable at \$0.33 in respect of old PetroGlobe options held by continuing employees with expiry dates ranging from October 24, 2013 to February 26, 2015; and (ii) 1,350,000 Amalco Shares will be purchasable at an exercise price of \$0.223 in respect of old ArPetrol options held by continuing employees with expiry dates ranging from May 20, 2015 to November 10, 2015.
6. The New Insider Warrants have an exercise price of \$0.30 and will vest in thirds at 12, 18 and 24 months if the Amalco Shares reach a 20-day volume-weighted average price of \$0.40.
7. These Old ArPetrol Performance Warrants were granted to ArPetrol management around the time of their original subscription in ArPetrol and will be converted based on their terms (on a 9:1 basis) and, following the amalgamation will be exercisable for \$0.112, with one-third vested and the remainder subject to vesting thresholds of \$0.334 and \$0.445, and will expire between September 10, 2014 and January 10, 2015. These Old ArPetrol Performance Warrants are not expected to be part of the "security based compensation arrangements" of the Corporation because they were granted at the time of earlier financings of ArPetrol.
8. These PetroGlobe broker warrants were issued in March 2010. When exchanged for broker warrants of the Corporation, they will have an exercise price of \$0.28 per Amalco Share and will expire on March 24, 2011.
9. The number of New Options and New Warrants granted is 30,720,000 (7.1%) and the number of continuing ArPetrol and PetroGlobe options and warrants is 8,798,334 (2.0%).

Timing and Required Approvals

Completion of the Amalgamation is subject to the satisfaction of a number of conditions under the Agreement, including receipt of the approval of the TSXV, approval by not less than two-thirds of the shareholders of each of PetroGlobe and ArPetrol who vote at their respective shareholder meetings and approval by the Court of Queen's Bench of Alberta. PetroGlobe has applied for and received a sponsorship exemption pursuant to the policies of the TSXV. A joint information circular is expected to be mailed to PetroGlobe and ArPetrol shareholders mid-August. The special meetings of shareholders of each of PetroGlobe and ArPetrol are expected to be held on or around September 14, 2010.

It is expected that the Amalgamation will be closed on or around September 15, 2010 on the assumption that PetroGlobe and ArPetrol receive the requisite approvals and all of the conditions to closing are satisfied.

Termination of the Agreement

The terms of the Agreement provide for termination of the Agreement and the Amalgamation if the Amalgamation is not completed by an outside date of October 15, 2010, unless extended by the parties. In addition to the terms of the Agreement discussed above, the Agreement contains reciprocal non-solicitation covenants, customary representations, warranties, covenants and conditions and provides for reciprocal non-completion fees under certain circumstances of up to

\$1,500,000. The complete Agreement will be accessible under PetroGlobe's profile on SEDAR at www.sedar.com.

Financial Advisors

Emerging Equities Inc. is acting as financial advisor to PetroGlobe with respect to the Amalgamation and provided a verbal fairness opinion to PetroGlobe's board in respect of the consideration to be received by PetroGlobe's shareholders pursuant to the Amalgamation.

Canaccord Genuity Corp. is acting as financial advisor to ArPetrol with respect to the Amalgamation and provided a verbal fairness opinion to ArPetrol's board in respect of the consideration to be received by ArPetrol's shareholders pursuant to the Amalgamation.

Canaccord Genuity Corp. and Thomas Weisel Partners Canada Inc. are acting as co-lead agents in respect of the Private Placements, with a syndicate comprised of Haywood Securities Inc., Cormark Securities Inc. and FirstEnergy Capital Corp.

A written fairness opinion of each of the financial advisors is expected to be included in the joint information circular to be mailed to PetroGlobe and ArPetrol shareholders.

About PetroGlobe Inc.

PetroGlobe is a Calgary, Alberta based public company, incorporated under the *Business Corporations Act* (Alberta), engaged in the exploration, development and production of petroleum and natural gas in Canada. The PetroGlobe Shares are listed on the TSXV under the trading symbol "**PGB**".

About ArPetrol Inc.

ArPetrol is a Calgary, Alberta based private company engaged in oil and gas exploration and production in Argentina. It was incorporated under the *Business Corporations Act* (Alberta) on September 17, 2004 and in July 2007 purchased Geodyne Energy S.A. ("GESA"). GESA (now known as ArPetrol Argentina S.A.) was a private Argentine oil and gas company with assets in the Province of Santa Cruz. Through this purchase, ArPetrol owns and operates 100% of the Faro Virgenes concession which currently produces natural gas and condensate at approximately 450 boepd from two wells in the Springhill formation. ArPetrol has planned a three well redevelopment program to be conducted in 2011 and 2012 which will target the underdeveloped crest of the structure. Each well is expected to produce at approximately 1,700 boepd and remain flat for a period of 2 to 3 years. Costs of all three wells are currently estimated to be approximately \$22 million.

In conjunction, ArPetrol's technical team in Argentina has identified a potential onshore exploration prospect on its 100% owned and operated Faro Virgenes concession. ArPetrol has planned to test the possible oil accumulation through an exploration well in 2011 at an estimated cost of \$1.8 million.

In addition, ArPetrol's assets include a 100% interest in a 85 mmcf/d gas plant (at full capacity) strategically located on the Faro Virgenes concession and a 20% operated working interest (with an option to increase to a 50% working interest at casing point) in the Blanco de Los Olivos Oriental ("BOO") and Catriel Viejo Sur exploration permits. Both exploration permits are located in the hydrocarbon rich Neuquen Basin in the province of Rio Negro. ArPetrol has

scheduled an exploitation program of two to three shallow gas wells on its BOO permit for late 2010. Total costs of the program are currently estimated to be between \$0.5 and 1.3 million (depending on final working interest).

ArPetrol Reserves Data

Gaffney, Cline & Associates Inc. ("GCA") has prepared an evaluation (the "GCA Report") of the hydrocarbon liquid and natural gas reserves of ArPetrol dated April 29, 2010. The effective date of the GCA Report is December 31, 2009 and it consists of an evaluation of the hydrocarbon liquid and natural gas reserves attributable to ArPetrol's interest in the Faro Virgenes concession. The GCA Report has been prepared using assumptions and methodology guidelines outlined in the Canadian Oil and Gas Evaluation Handbook and in accordance with National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities*.

The following table sets forth the natural gas and natural gas liquid reserve estimates attributable to ArPetrol's interest in the Faro Virgenes concession as presented in the GCA Report. A further summary of the GCA Report, including the value of future net revenue associated with the reserves, will be included in the disclosure document that PetroGlobe and ArPetrol will prepare in connection with the Transactions. The reserve estimates provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual natural gas and natural gas liquid reserves may be greater than or less than the estimates provided herein. Although the gas structure extends beyond ArPetrol's concession limits, the reserve estimates provided herein are based only on the reserves estimated inside the concession limits.

ArPetrol Reserves Summary - December 31, 2009

	Natural Gas		Natural Gas Liquids	
	Gross ⁽¹⁾ (MMcf) ⁽²⁾	Net ⁽¹⁾ (MMcf)	Gross ⁽¹⁾ (Mbbbl) ⁽²⁾	Net ⁽¹⁾ (Mbbbl)
Proved Developed Producing ⁽³⁾⁽⁷⁾	4,402	3,874	76	67
Proved Developed Non-Producing ⁽³⁾⁽⁸⁾	-	-	-	-
Proved Undeveloped ⁽³⁾⁽⁹⁾	22,031	19,387	382	336
Total Proved⁽³⁾	26,433	23,261	458	403
Total Probable⁽⁴⁾	14,229	12,521	246	217
Total Proved Plus Probable⁽³⁾⁽⁴⁾	40,662	35,782	704	620
Total Possible⁽⁵⁾	12,961	11,407	225	197
Total Proved Plus Probable Plus Possible⁽³⁾⁽⁴⁾⁽⁵⁾	53,623	47,189	929	817

Notes:

- (1) "Gross Reserves" are ArPetrol's working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of ArPetrol. "Net Reserves" are ArPetrol's working interest (operating or non-operating) share after deduction of royalty obligations plus ArPetrol's royalty interests in reserves.
- (2) "MMcf" means million cubic feet and "Mbbbl" means thousand barrels.
- (3) "Proved" reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.
- (4) "Probable" reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.
- (5) "Possible" reserves are those additional reserves that are less certain to be recovered than probable reserves. There is only a 10% probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable plus possible reserves.
- (6) "Developed" reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if

facilities have not been installed, that would involve a low expenditure (for example when compared to the cost of drilling a well) to put the reserves on production.

- (7) "Developed Producing" reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.
- (8) "Developed Non-Producing" reserves are those reserves that either have not been on production, or have previously been on production but are shut in and the date of resumption of production is unknown.
- (9) "Undeveloped" reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable, possible) to which they are assigned.

Selected Financial Information

The following table sets forth certain unaudited financial information for ArPetrol as at and for the three months ended March 31, 2010:

Total Assets	\$21,795,084
Current Liabilities	\$1,200,010
Working Capital	\$1,216,301
Property, Plant and Equipment	\$18,174,193
Sales Revenue ¹	\$1,448,695
Net Loss	\$251,360
Shareholders' Equity	\$18,272,019

Notes:

- (1) This includes gain on termination of lease

For further information with respect to ArPetrol, PetroGlobe, the Corporation and the Transactions, please contact:

Tim Thomas, Director
ArPetrol Inc.
(403) 263-6738
t.thomas@arpetrol.com

Jason James, President
PetroGlobe Inc.
(403) 265-4488
Jason.james@petroglobe.com

This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The Subscription Receipts to be offered have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended and may not be offered or sold in the United States or to a U.S. person absent registration or an applicable exemption from the registration requirements.

Forward Looking and Cautionary Statements

Certain information included in this press release constitutes forward-looking information under applicable securities legislation. Such forward-looking information is provided for the purpose of providing information about management's current expectations and plans relating to the future.

Readers are cautioned that reliance on such information may not be appropriate for other purposes, such as making investment decisions. Forward-looking information typically contains statements with words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", "project" or similar words suggesting future outcomes or statements regarding an outlook. Forward-looking information in this press release may include, but is not limited to, information with respect to: completion of the Transactions, the results of the Transactions and the timing thereof, receipt of the required approvals for the Transactions, the timing, completion, size and composition of the Private Placements, the Corporation's growth and business strategy, operational plans and strategies and the timing thereof, development and exploration plans and strategies and the timing and expected costs thereof; and future production levels. Forward-looking information is based on a number of factors and assumptions which have been used to develop such information but which may prove to be incorrect. Although PetroGlobe believes that the expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on forward-looking information because PetroGlobe can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified in this press release, assumptions have been made regarding and are implicit in, among other things: field production rates and decline rates; the ability of PetroGlobe to secure adequate product transportation; the impact of increasing competition in or near PetroGlobe's plays; the timely receipt of any required regulatory approvals, both domestically and internationally; the ability of PetroGlobe to obtain qualified staff, equipment and services in a timely and cost efficient manner to develop its business; PetroGlobe's ability to operate the properties in a safe, efficient and effective manner; the ability of PetroGlobe to obtain financing on acceptable terms; the ability to replace and expand oil and natural gas reserves through acquisition, development or exploration; the timing and costs of pipeline, storage and facility construction and expansion; future oil and natural gas prices; currency, exchange and interest rates; the state of the capital markets; the regulatory framework regarding royalties, taxes and environmental matters; the ability of PetroGlobe to successfully manage the political and economic risks inherent in pursuing oil and gas opportunities in foreign countries; and the ability of PetroGlobe to successfully market its oil and natural gas products. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which have been used.

Forward-looking information is based on current expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by PetroGlobe and described in the forward-looking information. The material risk factors affecting PetroGlobe and its business are similar to those of other companies engaged in the business of exploring for and producing oil and gas, both domestically and in foreign countries.

The forward-looking information contained in this press release is made as of the date hereof and PetroGlobe undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless required by applicable securities laws. The forward looking information contained in this press release is expressly qualified by this cautionary statement.

Completion of the Transactions is subject to a number of conditions, including TSXV acceptance and shareholder and court approvals. The Transactions cannot close until the required shareholder approvals are obtained. There can be no assurance that the Transactions will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the joint information circular to be prepared in connection with the Transactions, any information released or received with respect to the

Transactions may not be accurate or complete and should not be relied upon. Trading in the securities of PetroGlobe should be considered highly speculative.

The TSXV has in no way passed upon the merits of the proposed Transactions and has neither approved nor disapproved the contents of this press release.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this news release.