



PETROBANK CONVERTIBLE NOTE EARLY CONVERSION PERIOD

Calgary, Alberta – April 12, 2010 – Petrobank Energy and Resources Ltd. (“**Petrobank**”) (TSX:PBG) is pleased to announce an early conversion period for holders of Petrobank’s convertible notes (“**Notes**”) due July 10, 2015. These Notes were issued pursuant to the loan agreement (“**Loan Agreement**”) between Petrobank and Norsk Tillitsmann ASA, dated July 7, 2009. Currently, there are US\$149.3 million principal amount of Notes outstanding.

Any Notes converted into common shares of Petrobank, in accordance with the conversion right granted to holders of Notes (“**Noteholders**”) pursuant to the Loan Agreement, until 2:00 p.m. (EST) on April 13, 2010 (the “**Early Conversion Period**”) will be entitled to receive that number of common shares such Noteholder is entitled to receive pursuant to their existing conversion right, resulting in a maximum amount of 3,920,457 common shares of Petrobank being issued, and cash in the amount of approximately US\$18,000 per US\$100,000 principal amount of Notes held. The Early Conversion Period process will be managed for Petrobank by ABG Sundal Collier Norge ASA.

Petrobank is pleased to announce that holders of US\$127.1 million principal amount of Notes, representing 85% of the total Notes currently outstanding, have already agreed to convert their Notes within the Early Conversion Period. This amount, aggregated with the Notes previously converted on January 8, 2010, represents 94% of the Notes originally issued.

The Early Conversion Period is entirely voluntary and holders of Notes will not be obliged to convert their Notes during Early Conversion Period. However, the Loan Agreement contains a provision which permits Petrobank to, at any time during the term of the Loan and provided that 90% or more of the Notes originally issued have been converted into common shares, call the Notes for the par value of such Notes, plus accrued interest.

The early conversion cash payment reflects the current value of the Notes and to Petrobank represents the value of future interest payments that would otherwise remain due with respect to the Notes. The transaction allows Petrobank to strengthen our balance sheet, enhance liquidity and increase available cash flow that can be dedicated to our Heavy Oil Business Unit expansion plans.

***Petrobank Energy and Resources Ltd.** is a Calgary-based oil and natural gas exploration and production company with operations in western Canada and Latin America. The Company operates high-impact projects through three business units and a technology subsidiary. The Canadian Business Unit, operated by Petrobank’s 58% owned TSX-listed subsidiary, PetroBakken Energy Ltd. (TSX:PBN), is a premier light oil production company combining high growth, long-life Bakken reserves and production with legacy conventional light oil assets, delivering industry leading operating netbacks, strong cash flows and production growth. The Latin American Business Unit, operated by Petrobank’s 66% owned TSX listed subsidiary, Petrominerales Ltd. (TSX:PMG), is a Latin America-based exploration and production company producing oil in Colombia with 14 exploration blocks covering a total of 1.8 million acres in the Llanos and Putumayo Basins and 2.6 million gross acres in the Ucayali Basin of Peru. Whitesands Insitu Partnership, a partnership between Petrobank and its wholly-owned subsidiary Whitesands Insitu Inc., owns 75 net sections of oil sands leases in Alberta, 36 sections of oil sands licenses in Saskatchewan and operates the Whitesands project which is field-demonstrating Petrobank’s patented THAI™ heavy oil recovery process. THAI™ is an evolutionary in-situ combustion technology for the recovery of bitumen*

and heavy oil that integrates existing proven technologies and provides the opportunity to create a step change in the development of heavy oil resources globally. THAI™ and CAPRI™ are registered trademarks of Archon Technologies Ltd., a wholly-owned subsidiary of Petrobank.

Forward-Looking Statements: Certain information provided in this press release constitutes forward-looking statements. The words "anticipate", "expect", "project", "estimate", "forecast" and similar expressions are intended to identify such forward-looking statements. Specifically, this press release contains forward-looking statements relating to an early conversion period with respect to Petrobank's outstanding convertible notes. 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; fluctuation in foreign currency exchange rates; risks associated with oil and gas operations; and other factors, many of which are beyond the control of the Company. There is no representation by Petrobank 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, Petrobank assumes 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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