



**PRESS RELEASE**

**PETROBANK PRICES CONVERTIBLE NOTE OFFERING  
AND EXPANDS CREDIT FACILITIES**

Calgary, Alberta – June 26, 2009 – Petrobank Energy and Resources Ltd. (“Petrobank”) (TSX: PBG) is pleased to announce that we have priced our previously announced offering of convertible notes due 2015 (the “Notes”), with an offering size of US\$400 million principal amount (the “Offering”). The US\$400 million offering size includes the full exercise of the US\$100 million over-allotment option. The Offering was conducted by private placement and was led by ABG Sundal Collier Norge ASA.

The Notes to be issued by Petrobank are convertible into common shares of Petrobank, have an annual coupon of 5.125% and a conversion price of US\$38.08 (Cdn\$44.01) per Note, representing a conversion premium of 30% to the volume weighted average Petrobank common share price during the two day trading period ending June 26, 2009, of Cdn\$33.85.

Petrobank has the option to call the Notes after four years, should the price of Petrobank’s common shares exceed 140% of the prevailing conversion price of the Notes. The exchange rate to determine the number of Petrobank common shares underlying the Notes is US\$1.1556/Cdn\$1.00.

Each holder of Notes will have the one-time right, on July 10, 2012, to convert their Notes at the Early Conversion Price. The Early Conversion Price is calculated by the volume weighted average Petrobank common share price on the Toronto Stock Exchange for the 20 consecutive trading days ending 5 trading days before July 10, 2012.

Petrobank may, at our option, redeem the Notes by the issuance of Petrobank common shares, or by payment in cash. Settlement of the Notes and closing of the transaction is expected to occur on or about July 10, 2009. The Offering is subject to certain approvals, including the approval of the Toronto Stock Exchange.

Petrobank is also pleased to announce that our annual borrowing base redetermination has resulted in an increase to our secured credit facilities from \$380 million to \$400 million.

The Offering, and the increase to our borrowing base, further enhance Petrobank’s already substantial financial flexibility which allows us to: significantly expand our highly successful Bakken drilling program in southeast Saskatchewan; fund the first phase of May River, the commercial expansion of our THAI™ technology; and/or capitalize on the many additional exciting opportunities that are occurring in the current energy sector environment.

**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 is focused on developing a solid production platform from the Bakken light oil play in southeast Saskatchewan, and exploiting a large undeveloped land base through the application of new technology to large oil and gas resource opportunities. The Latin American Business Unit, operated by Petrobank's 66.7% owned TSX-listed subsidiary, Petrominerales Ltd. (TSX: PMG), is a Latin American-based exploration and production company producing oil in Colombia with 16 exploration blocks covering a total of 1.9 million acres in the Llanos and Putumayo Basins of Colombia and 2.6 million 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 offering of 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; the results of exploration and development drilling, recompletions and related activities; timing and rig availability, outcome of exploration contract negotiations; fluctuation in foreign currency exchange rates; the uncertainty of reserve estimates; 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 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.

**This press release shall not constitute an offer to sell or the solicitation of an offer to buy the securities in any jurisdiction. The shares offered have not and will not be registered under the United States Securities Act of 1933, as amended, or any state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirement.**

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STRENGTH IN OUR RESOURCES

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