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PRESS RELEASE

Supreme Decree Issued for Petrolifera's License on Maranon Block 106, Peru

Calgary, Alberta – Petrolifera Petroleum Limited (“Petrolifera”), a Calgary-based oil and natural gas exploration and production company with current and planned activities in Argentina and Peru, is pleased to announce that Supreme Decree No. 021-2005-EM approving the award of a License to Petrolifera over Block 106 in the Maranon Basin of northern Peru was issued and published in El Peruano on June 30, 2005. The Supreme Decree was signed by Peru's President Alejandro Toledo, along with the Minister of Finance and the Minister of Energy.

The formal signing ceremony arising therefrom with Perupetro, the state agency which administers oil and gas rights, is now scheduled for July 12, 2005 in Lima, Peru. Petrolifera has also been advised that the Supreme Decree for the License to be awarded to the company covering Block 107 in the Ucayali Basin, Peru is now scheduled for issuance on July 12, 2005 and the formal license signing will follow later in the month.

Block 106 is comprised of approximately two million acres and surrounds the Corrientes Field, the largest in the Maranon Basin, onshore northern Peru. It is also surrounded by other smaller fields, is bisected by an underutilized oil pipeline and is favorably situated from a geological perspective. Numerous leads and prospects have already been identified on Block 106, which could lead to early drilling in the seven-year exploratory term of the License. Favorable fiscal terms have been adopted by Perupetro, providing a strong incentive to explore and develop new reserves in the country. A thirty-year exploitation term would be available for new commercial crude oil discoveries.

This will mark Petrolifera's formal entry into activity in Peru and is a significant event for the company. Connacher Oil and Gas Limited (CLL-TSX) is providing certain guarantees and backstops to Petrolifera. Connacher owns a 40 percent equity stake in Petrolifera and along with Mr. Gary D. Wine, the company's President, manages the company's affairs.

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