



August 11, 2005

PRESS RELEASE

Supreme Decree Issued for Petrolifera's License on Ucayali Block 107, 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. 029-2005-EM approving the award of a License to Petrolifera over Block 107 in the Ucayali Basin of central Peru was issued and published in El Peruano on August 11, 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 August 31, 2005 in Lima, Peru. Petrolifera was previously awarded a License for Block 106 in the Marañon Basin of northern Peru in July 2005. Block 106 is comprised of approximately two million acres and surrounds the Corrientes Field, the largest in the Marañon Basin, and is also surrounded by other smaller fields and bisected by an underutilized oil pipeline.

Block 107 is comprised of approximately three million acres northwest of the giant Camisea natural gas and liquids complex, and is favorably situated from a geological perspective. Numerous leads and prospects have already been identified on Block 107, 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 and forty-year exploitation term would be available for new commercial crude oil and gas discoveries, respectively.

Together, Blocks 106 and 107 contain approximately five million acres and are held 100 percent by Petrolifera, establishing it as a significant explorer of hydrocarbons within the sub-Andean Basins of Peru.

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.

For further information, contact:

Richard A Gusella

Executive Chairman

Petrolifera Petroleum Limited

Phone: (403) 539-8450

Fax: (403) 538-6225

inquiries@petrolifera.ca

www.petrolifera.ca