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PRESS RELEASE

PETROLIFERA PETROLEUM ANNOUNCES INDICATED CRUDE OIL AND NATURAL GAS DISCOVERY AT ITS FIRST WELL IN ARGENTINA

Calgary, Alberta – Petrolifera Petroleum Limited announced today that the RN.PM.x-1002 well on its 100 percent-owned Puesto Morales/Rinconada concession in the Neuquen Basin, Argentina has been drilled, logged and cased as an indicated discovery. The rig used to drill the well has been released and is moving to Petrolifera's RN.PM.x-1003 location to the northwest of the 1002 well to drill the second of an initial five-well program prior to year end 2005.

The well was spudded on October 12, 2005 and was drilled without incident, although some time was lost due to a national strike of oil workers. It was drilled to a total depth of 1,692 meters and encountered excellent hydrocarbon shows, especially in the Sierras Blancas, the primary objective of the well.

The well came in 20 meters structurally high to the offsetting productive PMNx-1 well, with three potential hydrocarbon-bearing zones, based on log analysis and mud log shows.

In the opinion of management, a new 6.5 meter zone indicated to be natural gas bearing was encountered at the Quintuco Zone 2 level, with porosities of up to 14 percent and averaging ten percent. Also, Quintuco Zone 9, which produces natural gas in the offsetting PMN x-1 well, had an indicated three meters of reservoir with average porosity of 13 percent, which compares favorably with the offset well.

Of greater importance, a gross 26 meter zone (20 meters net) of Sierras Blancas sand was encountered, with an average porosity as calculated by management of 23 percent. Based on the available data and having encountered encouraging hydrocarbon shows, it is management's opinion that this is an excellent prospective reservoir which is likely to be oil-bearing and oil-productive.

As indicated, the well was cased and will be production-tested in the near future, either upon the arrival of a service rig or with the existing drilling rig after drilling the next two wells in the program. Results cannot be considered definitive until production testing of all zones is completed and stabilized flow rates are established.

Petrolifera is a Calgary-based oil and natural gas exploration and production company focused on its 100 percent-owned and operated properties in Argentina and Peru. Connacher Oil and Gas Limited (CLL-TSX) owns 40 percent of Petrolifera. The company recently deferred closing of its initial public offering of units, consisting of one common share and one half of a warrant, until after stock market conditions become more normalized. The common shares and warrants comprising the units have not been and will not be registered under the U.S. Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of such Act.

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