

## News Release

### Porto Energy Corp. Announces Initial Public Offering

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**The Woodlands, Texas, February 2, 2011** – Porto Energy Corp., (“**Porto**” or the “**Company**”), announced today that it has filed a preliminary prospectus with the securities regulatory authorities in Ontario, Manitoba, Saskatchewan, Alberta and British Columbia, in connection with a proposed initial public offering (the “**Offering**”) of its common shares (the “**Common Shares**”), to be offered for sale on a “best efforts” basis through a syndicate of agents to be co-led by Raymond James Ltd. and TD Securities Inc. and including FirstEnergy Capital Corp. and Haywood Securities Inc. (collectively, the “**Agents**”).

Pursuant to the Offering, a minimum of 60,000,000 Common Shares and a maximum of 70,000,000 Common Shares will be offered for sale to the public at a price of \$1.00 per Common Share, for minimum gross proceeds of \$60,000,000 and maximum gross proceeds of \$70,000,000. In addition, the Company has granted an option (the “**Over-Allotment Option**”) to the Agents pursuant to which the Agents will have the option to offer for sale up to an additional number of common shares as is equal to 15% of the number of Common Shares issued under the Offering at a price of \$1.00 per Common Share. The Over-Allotment Option is exercisable, in whole or in part, at any time on or before the date that is 30 days following the closing date of the Offering, to cover over-allocations, if any, and for market stabilization purposes.

A copy of the preliminary prospectus, which contains important information relating to the Offering, is available on the SEDAR website at [www.sedar.com](http://www.sedar.com). Copies of the preliminary prospectus may be obtained from Raymond James Ltd., c/o Sonny Mottahed, Investment Banking, telephone: (403) 509-0532, or TD Securities Inc. c/o Robi Contrada, Investment Banking telephone: (403) 299-8572 or any of the other agents listed above or from your IIROC registered financial advisor.

The preliminary prospectus is subject to completion or amendment. There will not be any sale or acceptance of an offer to buy the Common Shares until a receipt for the final prospectus has been issued. Completion of the Offering is subject to and conditional upon the receipt of all necessary approvals, including regulatory approvals.

This press release does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of, any securities of the Company in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities offered hereunder have not and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or the securities laws of any state of the United States of America (the “**United States**”) and, subject to certain exceptions, may not be offered or sold within the United States or its territories or possessions except in transactions exempt from registration under the U.S. Securities Act and under the securities laws of any applicable state. This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States, its territories or possessions.

#### **About Porto Energy Corp.**

Porto Energy Corp. is an international oil and gas company engaged in the exploration of crude oil and natural gas including the appraisal of a gas discovery in Portugal. Through its wholly owned subsidiary, Mohave Oil And Gas Corporation (a Texas corporation with branch offices in Portugal), the Company holds working interests in five concessions in Portugal’s Lusitanian Basin totaling 1,444,152 net acres or



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5,844 km<sup>2</sup>. Through its exploration efforts to date, the Company has identified seven major exploration trends over its concessions and generated more than 45 prospects and leads.

For more information, please contact:

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This press release contains certain forward-looking statements. These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "should", "believe", "predict" and "potential" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements, including, without limitation, those listed under the headings "Notice to Investors - Special Note Regarding Forward-Looking Statements" and "Risk Factors" in the Company's preliminary prospectus dated February 1, 2011 relating to the Offering. No assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. These forward-looking statements are made as of the date of this press release and the Company does not undertake to update any forward-looking statements that are contained in this press release, except in accordance with applicable securities laws.