

News Release

Porto Energy Corp. Announces Final Drilling Results and Analysis for Second Torres Vedras Well

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THE WOODLANDS, TX January 18, 2012 – Porto Energy Corp., (“Porto” or the “Company”), today announced results from the drilling of the SPC-2 well in the Torres Vedras concession onshore Portugal, the second well in the Company’s program to explore the Jurassic Reef prospect. The SPC-2 was spud on August 19, 2011 and reached total measured depth at 1,957 meters on September 9, 2011. The SPC-2 targeted a well defined four way closure trap in the Jurassic Reef as delineated by the Company’s 120 km² 3D seismic survey of this area. The well had live and dead oil shows while drilling and good reservoir properties in several limestone and dolomite intervals. A porous interval of dolomite from 1,625 meters to 1,679 meters indicated pay on a petrophysical evaluation of the open hole logs, however, analysis of sidewall cores taken over the interval and additional log evaluation was required to determine if the logged pay over this interval was commercial. Following completion of the analysis of the gathered data the Company determined that the well was gas charged but the presence of a significant amount of carbon dioxide would make it uneconomic to produce. On that basis, the Company has elected to plug and abandon the well.

“Although disappointing, we have learned a lot about the hydrocarbon potential of this play on the western side of the basin. Moreover, following this result, our decision to suspend drilling pending the analysis of the sidewall cores was the right one given this outcome,” said Joseph Ash, President and CEO of Porto Energy. “Following this result we now expect to take some time to evaluate the wide array of information gathered on this prospect before making a decision with respect to next steps of our reef exploration program on the western portion of the Torres Vedras concession.”

About Porto Energy Corp.

Porto Energy Corp. is an international oil and gas company engaged in the exploration of crude oil and natural gas in Portugal, including the appraisal of a gas discovery. 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 5,844 km². Through its exploration efforts to date, the Company has identified seven major exploration trends over its concessions including unconventional oil and gas resource plays as well as conventional oil and gas targets. Porto Energy’s shares trade on the TSX Venture Exchange under the ticker symbol “PEC”. For more information on Porto Energy visit www.portoenergy.com.

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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. 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



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