

News Release

Porto Energy Corp. Adopts Shareholder Rights Plan

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THE WOODLANDS, TX September 23, 2011 – Porto Energy Corp., (“**Porto**” or the “**Company**”) (TSXV – PEC), today announced that its Board of Directors has adopted a Shareholder Rights Plan (the “**Rights Plan**”) designed to encourage the fair treatment of shareholders in connection with any take-over offer for the Company. The Rights Plan addresses the Company’s concerns that existing Canadian legislation does not allow sufficient time, if a take-over bid is made, for either the Board of Directors or the shareholders to properly consider the bid, or for the Board of Directors to seek alternatives to such a bid. The Rights Plan is similar to other plans adopted by many Canadian listed companies.

The Rights Plan is effective immediately and will provide the Board of Directors and the shareholders more time to fully consider any unsolicited take-over bid for the Company. It will also allow more time for the Board of Directors to pursue, if appropriate, other alternatives to maximize shareholder value. Shareholders will be asked to approve the Rights Plan at the Annual General Meeting of shareholders (the “**Meeting**”) expected to be held in January 2012, and upon receipt of such confirmation, the Rights Plan will have an initial term which expires at the annual meeting of shareholders of the Company to be held in 2015 unless terminated earlier. The Rights Plan may be extended for an additional three years after 2015 by resolution of shareholders at such meeting.

The rights issued under the Rights Plan (the “**Rights**”) become exercisable only when a person, including any party related to them, acquires or announces its intention to acquire 20% or more of the Company’s outstanding common shares (“**Common Shares**”) without complying with the “Permitted Bid” provisions of the Rights Plan or without approval of the Board of Directors. Should such an acquisition occur, each Right would, upon exercise, entitle a holder of Rights, other than the acquiring person and related persons, to purchase Common Shares at one-half of the prevailing market price at the time.

Under the Rights Plan, a Permitted Bid is a bid made for all of the Common Shares to all shareholders that is open for not less than 60 days. If, at the end of the 60 days, at least 50% of the outstanding Common Shares, other than those owned by the offeror and certain related parties, have been tendered to the bid, the offeror may take up and pay for the Common Shares but must extend the bid for a further 10 days to allow other shareholders to tender.

The Board of Directors is not aware of any pending or threatened take-over bids for the Company that have been made or are contemplated.

The TSX Venture Exchange has conditionally accepted the Rights Plan. A copy of the Rights Plan may be viewed under the Company’s profile at www.sedar.com. **Additional details regarding the Rights Plan will be provided in the Management Information Circular that will be available for viewing on SEDAR and mailed to the shareholders of the Company prior to the Meeting.**

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.



PORTO ENERGY CORP.

News Release

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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 any forward-looking statements that are contained in this press release, except in accordance with applicable securities laws.

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