

## News Release

### Porto Energy Corp. Completes Montejunto 3D Shoot and Provides Pre-Salt and MOU Update

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**THE WOODLANDS, TX, January 31, 2012** – Porto Energy Corp., (“**Porto**” or the “**Company**”) (TSXV:PEC), a company focused on oil and gas exploration, appraisal and development in Portugal, today provided an update on its operations in Portugal.

The Company recently completed a 240 km<sup>2</sup> 3D Seismic Program over the Montejunto Anticline in the Torres Vedras Concession (97.5% working interest) onshore Portugal. This is the fourth and final 3D program that in total has given Porto Energy more than 1,600 km<sup>2</sup> of new data on its five concessions.

The data from the Montejunto seismic program will be processed and interpreted with results expected in approximately three months. The Company intends to use the data from this program, as well as data from the 24,000 km<sup>2</sup> aeromagnetic data survey completed in July 2011, to identify drill sites targeting multiple stacked pay intervals including Jurassic Reefs on the eastern side of the basin, the pre-salt, as well as additional shallower targets.

“We have now completed the last of our four 3D seismic programs that we will use to target drillable prospects and to attract joint venture (JV) partners,” said Joseph Ash, President and CEO of Porto.

#### Pre-Salt Prospect (100% working interest)

Using the recently completed pre-stack time migration processing from the 160 km<sup>2</sup> Aljubarrota 3-D seismic survey completed last year, a large Triassic four-way closure has been identified within the pre-salt sandstones beneath the gas charged Lower Jurassic Brenha Formation. The crest of this structure is estimated to be 800 metres updip of gas shows within the Triassic sandstones in the Company’s Brenha gas discovery, the ALJ-2. The entire prospect and surrounding area appears to have a thick salt top seal imaged from the seismic data set. Additional shallower targets have also been identified within the mapped four-way closure and the Company is actively seeking a JV partner to participate in a 3,000 metre pre-salt well. Porto intends to mobilize the Deutag rig, currently stacked at the Company’s storage facility, and spud a pre-salt well before June 1, 2012 pending funding requirements and JV partnering efforts.

#### Memorandum of Understanding

In late November 2011, Porto entered into a Memorandum of Understanding with Sorgenia International B.V., Netherlands (“Sorgenia”), and Rohöl-Aufsuchungs Aktiengesellschaft, Austria (“RAG”) to jointly evaluate the unconventional resource potential of the Lower Jurassic (Lias) stratigraphic interval within a portion of Porto’s concessions in Portugal. The parties are working toward completing a definitive agreement covering a three phase work program to jointly evaluate approximately 450,000 acres. The Lias stratigraphic interval is being pursued as an unconventional resource throughout Europe, and Mohave Oil and Gas, a wholly-owned subsidiary of the Company, has applied for two new concessions onshore Portugal in an effort to further consolidate its holdings that are prospective for the Lias interval and is now waiting for formal approval of the two new concessions from the Portuguese Government. The Company continues to pursue additional joint venture partners for the remaining portions of the Lias unconventional resources.

“To date we have completed approximately 82% of our work program commitments for the 12 months ending April 2012, including the completion of four 3D seismic surveys spanning nearly 1,600 km<sup>2</sup>, with the primary objective of further de-risking core assets,” said Joseph Ash. “Our near term focus will be on completing the processing and interpretation of 3D seismic and other geologic data that will allow us to identify additional drilling prospects and provide a comprehensive geological data package to potential JV partners. Through the careful management of our balance sheet, we have approximately \$10.0 million in

## News Release

working capital to support drilling of a first pre-salt well. We also intend to continue to actively pursue additional joint venture opportunities to derive greater value from our broad portfolio of assets.”

### 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 km<sup>2</sup>. 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](http://www.portoenergy.com).

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### Cautionary Statements

Contingent resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable because of one or more contingencies. The contingent resources shown are contingent upon demonstration of the economic viability of the projects. Commercial flow rate testing and documentation of development plans will provide further evidence of economic viability of these projects. If these contingencies are resolved, some portion of the contingent resources estimated may be reclassified as reserves. There is no certainty that it will be commercially viable to produce any portion of the contingent resources.

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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