

# News Release

## Porto Energy Corp. Announces Spudding of Alj-4 Re-Entry Well in Portugal

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**THE WOODLANDS, TX May 25, 2011** – Porto Energy Corp., (“**Porto**” or the “**Company**”), today announced that it has commenced re-entry operations on the Alj-4 well on the Aljubarrota-3 onshore concession in central Portugal. The Alj-4 well was originally drilled in 2005 to a depth of 2,110 meters as a direct offset to the Company’s Alj-2 well that discovered 366 BCF of contingent gas resources in a Jurassic fractured Brenha carbonate formation. The original Alj-4 well was temporarily abandoned above the gas accumulation due to operational constraints. The Company intends to deepen the Alj-4 well by 450 meters to approximately 2,550 meters to appraise the gas-bearing reservoir in the Jurassic Brenha carbonate. Drilling operations, which includes acquisition of 60-70 meters of conventional core, are expected to take approximately one month. Analysis of the well results is expected to be completed by the end of August 2011. Total drilling and appraisal costs are estimated at approximately \$4.5 million which includes mobilization of the rig to the re-entry location.

“We are moving forward with our asset appraisal program ahead of schedule,” said Joseph Ash, President and CEO of Porto Energy. “Our primary goal for the re-entry and deepening of the Alj-4 well is to optimize future horizontal well design and commercialize the Aljubarrota gas discovery. After the re-entry is completed, we intend to move the rig 70 kilometers south to the Torres Vedras-3 onshore concession to test multiple Jurassic reef oil prospects defined by our recently completed 120 km<sup>2</sup> 3D seismic survey.”

### **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 and generated more than 45 prospects and leads. 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



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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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