

TWOCO PETROLEUMS LTD. ANNOUNCES PRIVATE PLACEMENT OF CONVERTIBLE DEBENTURES

March 2, 2006

Calgary, Alberta – Twoco Petroleum Ltd. (“Twoco” or the “Corporation”) (TSX Venture – TWO) is pleased to announce that it intends to complete a private placement financing through the issuance of up to \$12 million in the aggregate principal amount of redeemable, convertible, unsecured debentures (“Convertible Debentures”) of Twoco. The Convertible Debentures shall bear interest at the rate of 7.5% per annum, payable commencing September 30, 2006 and quarterly thereafter and will mature three years and one day following the closing date (the “Maturity Date”). The Convertible Debentures will be convertible into common shares of the Corporation at the holder’s option at any time prior to the Maturity Date at a conversion price equal to \$7.50 per share for a period of two years from the closing date and thereafter at a price of \$8.25 until the Maturity Date. The Corporation will have the ability to redeem the Convertible Debentures if the closing price of its common shares on the TSX Venture Exchange (or such other exchange on which the common shares trade) exceeds \$8.25 for 21 consecutive trading days or in certain circumstances where an offer is made to acquire common shares of the Corporation. The Corporation may retain agents in connection with the sale of Convertible Debentures and such agents may receive from the Corporation a cash fee in respect of the gross proceeds received by the Corporation from the sale of Convertible Debentures sold by such agents.

This offering of Convertible Debentures is subject to the approval of the TSX Venture Exchange.

The proceeds of the offering will be used to fund, in part, the Corporation’s previously announced \$42 million capital expenditure program for 2006.

Highlights of the 2006 capital expenditure program include:

- \$20.6 million for drilling, completions and tie-ins
- \$10.2 million for land and seismic
- \$2.4 million for facilities
- \$8.8 million for miscellaneous capital

Twoco is an oil and gas company engaged in the exploration for, and the acquisition, development and production of, oil and natural gas reserves primarily in the Province of Alberta. Twoco has 14,773,306 common shares issued and outstanding as at today’s date.

Forward Looking Statements:

Certain information set forth in this news release contains forward-looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond Twoco’s control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. Twoco’s actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward looking-statements will transpire or occur, or if any of them do so what benefits Twoco will derive therefrom. Twoco disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

This news release does not constitute an offer to sell or a solicitation of an offer to buy securities in the United States. The common shares of the Corporation will not be and have not been registered under the United States

Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements.

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The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.