

TWOCO PETROLEUMS LTD. SECOND QUARTER HIGHLIGHTS AND 2007 UPDATE

August 28, 2007

Calgary, Alberta – Twoco Petroleum Ltd. ("Twoco") (TSX Venture – TWO) is pleased to announce financial and operating results for the quarter ended June 30, 2007 and an update of its 2007 activities.

Twoco has filed the following documents on the System for Electronic Document Analysis and Retrieval (SEDAR):

1. Unaudited consolidated financial statements for the quarter ended June 30, 2007, together with the notes thereto; and
2. Management discussion and analysis of financial condition and results of operations for the quarter ended June 30, 2007.

Copies of these documents may be obtained via SEDAR at www.sedar.com.

Highlights of the Second Quarter 2007 include:

- Average production of 1,073 boe per day – a 12% increase from the Second Quarter 2006;
- Participation in the drilling of 6 gross (5.8 net) wells;
- Petroleum and natural gas sales revenue growth to \$3,791,470 - a 29% increase from the Second Quarter 2006;
- Cash flow from operations of \$2,023,670 (\$0.13 per share);
- Net Loss of \$300,255 (\$0.02 per share);
- Capital expenditures of \$3,385,337;
- Increase in land position to 128,825 gross (91,453 net) acres;
- Operating costs of \$5.05 per boe;
- Operating netback of \$26.24 per boe;
- General and administrative expenses of \$1.85 per boe; and
- Available unutilized bank line of credit of \$14,476,012 as of June 30, 2007.

Highlights of Twoco's anticipated 2007 work program and summary of operations for the year to date includes:

- Participation in the drilling of 18 gross (17.8 net) wells that have resulted in 13 gross (12.8 net) wells being cased for potential natural gas production and 5 gross (5.0 net) wells being dry and abandoned. Of the 13 gross (12.8 net) wells that were cased for potential natural gas production, 3 gross (3.0 net) wells are currently on production. Initial production from the remaining 10 gross (9.8 net) wells is anticipated in the third and fourth quarters of this year;
- Participation in the drilling of 9 additional wells for the balance of 2007;
- Current production of 1,400 boe per day; and

- In response to the current low natural gas prices, Twoco has restricted natural gas production from a number of its wells. With a return to improved pricing, along with the tie-ins of the wells drilled in 2007, Twoco anticipates a substantial increase in production. Twoco estimates current additional production capability of 600 boe per day. Also, in response to the current low natural gas prices, Twoco will review its capital budget on a regular basis and will make amendments as required.

As at today's date, pursuant to its Normal Course Issuer Bid, Twoco has acquired a total of 54,300 common shares at prices ranging from \$3.20 to \$3.65 per share. Up to October 16, 2007, under the terms of the Normal Course Issuer Bid, Twoco is authorized to acquire up to an aggregate of 750,000 of its common shares representing approximately 5% of its issued and outstanding common shares.

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 currently has 15,259,806 common shares issued and outstanding as at today's date.

In this news release the calculation of barrels of oil equivalent (boe) is calculated at a conversion rate of 6,000 cubic feet (Mcf) of natural gas for one barrel (Bbl) of oil based on an energy equivalency conversion method. boes may be misleading particularly if used in isolation. A boe conversion ratio of 6 Mcf: 1Bbl is based on an energy equivalency conversion method primarily applicable to the burner tip and does not represent a value equivalency at the wellhead.

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, except as required by securities laws.

This news release shall not constitute an offer to sell or the solicitation of any offer to buy securities in any jurisdiction.

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