

## TWOCO PETROLEUMS LTD. RESERVES UPDATE AND 2008 OUTLOOK

March 12, 2008

**Calgary, Alberta** – Twoco Petroleum Ltd. ("Twoco") (TSX Venture – TWO) is pleased to announce the results of its independent reserve evaluation for the year ended December 31, 2007 as prepared by AJM Petroleum Consultants Inc. ("AJM") in accordance with NI 51-101 (the "Evaluation").

Highlights of the Evaluation and resulting corporate values include:

- Total Proved Reserves of 2,286,600 boe;
- Total Proved Plus Probable Reserves of 3,346,000 boe;
- Reserve Values, estimated using AJM forecast pricing and calculated using a 10% discount rate, of \$56.87 million on a Total Proved basis and \$76.27 million on a Total Proved Plus Probable basis;
- The Evaluation was prepared utilizing AJM's product price forecast effective December 31, 2007 (2008 average AECO gas price of \$6.90/mcf versus current AECO gas price of approximately \$8.35/mcf);
- A separate economic run utilizing the proposed royalty framework in Alberta that is scheduled to take effect January 1, 2009 resulted in minor reductions of reserve values (1% on a Total Proved basis and 2% on a Total Proved Plus Probable basis). There can be no assurance that the proposed new royalty framework in Alberta will be enacted in the form as previously announced;
- Twoco has estimated its finding and development costs for 2007 (including future development costs) were \$14.24/boe on a Total Proved basis and \$9.85/boe on a Total Proved Plus Probable basis; and
- Based on the Evaluation, Twoco's current Net Asset Value is estimated, using a 10% discount rate, to be \$4.65/share on a fully diluted basis.

Current operations and outlook for 2008 includes:

- Current production of 1,400 boe per day and estimated current additional production capability of 400 boe per day;
- Currently available unutilized bank line of credit of approximately \$16 million;
- As at today's date, pursuant to its current Normal Course Issuer Bid, Twoco has acquired a total of 87,600 common shares at prices ranging from \$2.85 to \$4.35 per share. Up to October 16, 2008, under the terms of the current 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;
- Following spring breakup, Twoco plans to participate in the drilling of 12 to 15 wells in its core area northeast of Edmonton;
- Twoco anticipates investigating several drilling and acquisition opportunities as they are identified during the balance of 2008. The combination of increasing cash flows from improving commodity prices and increasing production levels along with available loan facilities will enable Twoco to be in a position to consider such opportunities as they arise; and
- Twoco anticipates that 2007 Year end and Fourth Quarter financial results will be released in mid-April, 2008.

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 15,583,206 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 six thousand 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:1 Bbl 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 applicable 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.*