

Twoco Petroleum Ltd. Announces Asset Sale & Farm-in Arrangement

June 26, 2009

Calgary, Alberta – Twoco Petroleum Ltd. (“Twoco”) (TSX Venture - TWO) is pleased to announce that it has entered into an arm’s length definitive agreement (the “Agreement”) to sell 4% of its petroleum and natural gas assets for cash consideration of \$2.2 million to Poplar Creek Resources Inc. (“Poplar Creek”) (TSX Venture - PCK). Pursuant to the Agreement, Poplar Creek will have the right to acquire up to an additional 16% of Twoco’s assets on similar terms and conditions. The assets initially being sold pursuant to the Agreement represent a 4% interest in all of Twoco’s existing wells, production, petroleum and natural gas rights, facilities and seismic and which 4% interest is currently capable of producing approximately 60 boe per day. The initial sale of the assets is effective July 1, 2009 and is expected to close on or about July 15, 2009.

Twoco has agreed to farm-in on the lands sold pursuant to the Agreement by drilling 3 wells at Twoco’s cost and expense at locations and depths to be selected by Twoco within 60 days (subject to any unforeseen delays) of the effective date of the initial acquisition. Twoco will earn an interest in such drilled lands in accordance with a standard oil and gas farm-in arrangement.

Right to Acquire Additional Twoco Assets & Farm-in

- On each of September 1, October 1, November 1, and December 1, 2009 (the “Election Dates”), or other such dates as may be agreed to by the parties, Poplar Creek may elect to purchase an additional maximum of 4% of Twoco’s assets on similar terms and conditions. The purchase price for each such additional maximum purchase will be \$2.2 million, subject to a reduction if Poplar Creek elects to purchase a smaller percentage of Twoco’s assets on the particular Election Date.
- If Poplar Creek does not elect to purchase any additional interest in Twoco’s assets on any of the Election Dates, Twoco shall be entitled to terminate Poplar Creek’s right to purchase any further interests in Twoco’s assets.
- Twoco has agreed to drill additional wells in accordance with the farm-in arrangement if Poplar Creek elects to acquire further interests in Twoco’s assets on the Election Dates. Twoco will drill an additional 12 wells if Poplar Creek elects to acquire the maximum interest in Twoco’s assets on each of the Election Dates. The number of wells to be drilled will be reduced if Poplar Creek elects to acquire less than the 4% maximum additional percentage in Twoco’s assets on any of the Election Dates. Twoco will earn an interest in all of the lands drilled pursuant to the farm-in arrangement.
- Poplar Creek and Twoco have also agreed to an industry standard area of mutual interest (“AMI”) whereby any lands purchased by one party within one mile of the lands Poplar Creek acquires from Twoco shall be offered to the other party on the same terms as the party which acquired the lands.
- Following closing, the majority of Twoco’s production will continue to be operated by Twoco and includes strategic plant, facility and pipeline interests.
- The purchase price of \$2.2 million and further amounts that may be received if Poplar Creek elects to acquire additional interests in Twoco’s assets will be used by Twoco to drill the wells under the farm-in arrangement and for general corporate purposes.

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 14,941,406 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: 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. More particularly, this news release contains statements concerning completion of the proposed transaction, drilling plans, operatorship of assets, and the purchase and sale of additional interest's in Twoco's assets. 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.

For further information, please visit our website at www.twoco.ca or contact Wayne A. Malinowski, President and Chief Executive Officer.

Telephone: (403) 231-8653

Fax: (403) 237-6048

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.