

## TWOCO PETROLEUMS LTD. THIRD QUARTER HIGHLIGHTS AND 2009 UPDATE

November 25, 2009

**Calgary, Alberta** – Twoco Petroleum Ltd. ("Twoco") (TSX Venture – TWO) is pleased to announce financial and operating results for the quarter ended September 30, 2009 and an update of its 2009 activities.

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

1. Unaudited financial statements as at and for the quarter ended September 30, 2009, together with the notes thereto; and
2. Management's discussion and analysis of financial condition and results of operations as at and for the quarter ended September 30, 2009.

Copies of these documents may be obtained via SEDAR at [www.sedar.com](http://www.sedar.com).

Highlights of the Third Quarter 2009 include:

- Average production of 1,011 boe per day – a 37% decrease from the Third Quarter 2008 – a result of shut-in volumes due to low natural gas prices, a lack of drilling activity and natural production declines;
- Petroleum and natural gas sales revenue of \$1,506,834 - a 65% decrease from the Third Quarter 2008 – due to lower production and lower natural gas prices;
- Cash deficiency from operations of \$35,041 – a result of low natural gas prices;
- Net loss of \$2,313,946 (\$0.15 per share);
- Capital expenditures of \$224,603;
- Current land position of 131,271 gross (98,794 net) acres;
- Operating costs of \$7.51 per boe;
- Operating netback of \$6.82 per boe; and
- General and administrative expenses of \$1.65 per boe.

Highlights of Twoco's anticipated 2009 work program and summary of operations for the year to date includes:

- To date, Twoco has participated in the drilling of 1 gross (0.2 net) well. The 1 gross (0.2 net) well was cased for potential natural gas production and has commenced production;
- Current production of approximately 1,150 boe per day;
- Twoco estimates current shut-in and behind pipe production capability of 200 boe per day;
- On July 20, 2009, Twoco announced that it had closed an arm's length disposition of 3.5% of its petroleum and natural gas assets for cash consideration of \$1,925,000, subject to adjustment, to Poplar Creek Resources Inc. ("Poplar Creek") (TSX Venture - PCK). The assets sold represented a 3.5% interest in all of Twoco's existing wells, production, petroleum and natural gas rights, facilities and seismic. The sale of the assets was effective July 1, 2009. On October 16, 2009, Twoco announced that it has entered into a new farm-in agreement (the "New Farm-in Agreement") with Poplar Creek whereby, subject to certain conditions, including Poplar Creek raising \$3,025,000 by no later than December 15, 2009, Poplar Creek will farm-in on Twoco's lands and acquire an additional interest in all of Twoco's assets. The New

Farm-in Agreement supersedes the original arm's length definitive agreement entered into between Twoco and Poplar Creek and announced by Twoco on June 26, 2009. Pursuant to the terms of the New Farm-in Agreement, Poplar Creek will have until December 15, 2009 to raise \$3,025,000 in order to fund the drilling of the first series of wells. Upon the drilling of such wells, Poplar Creek will earn an interest in the lands drilled pursuant to the New Farm-in Agreement and will also acquire an additional 5.5% interest in all of Twoco's assets. Subsequent to the drilling of the first series of wells, Poplar Creek has two successive options to further farm-in on Twoco's lands and thereby earn a further interest in the lands drilled and an additional 5.5% interest in Twoco's assets. Each such successive option requires Poplar Creek to commit to an additional expenditure of \$3,025,000 to fund the additional drilling on Twoco's lands. If Poplar Creek fully exercises its options to farm-in on the Twoco lands, Poplar Creek will own a 20% interest in all of Twoco's assets, being the 3.5% interest purchased in July, 2009 and the additional 16.5% interest acquired by way of the New Farm-in Agreement. If Poplar Creek raises the initial \$3,025,000, the drilling program will be commenced as soon as possible after December 15, 2009; and

- Contingent on the level of participation by Poplar Creek in the New Farm-in Agreement, Twoco anticipates the drilling of three wells on company lands in the balance of 2009. In accordance with the terms of the New Farm-in Agreement these wells will be drilled at no cost to Twoco. The balance of the drilling activity to be undertaken as a result of the New Farm-in Agreement, if any, will occur in 2010. Twoco's share of expenditures for all wells drilled under the New Farm-in Agreement will be included in Twoco's 2010 Capital Budget, to be released in the first quarter 2010. The majority of the wells will be drilled in Twoco's core areas of Andrew/Willingdon/Tofield and Steele/Bolloque/Grassland, both of which are located near Edmonton, Alberta.

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 or information, including statements regarding Twoco's capital budget, participation in the drilling of wells, the timing of production and behind pipe production capability. 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, operational risks in exploration and development, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility and the ability to access sufficient capital from internal and external sources. Although Twoco believes that the expectations in our forward-looking statements are reasonable, our forward-looking statements have been based on factors and assumptions concerning future events which may prove to be inaccurate. Those factors and assumptions are based upon currently available information. Such statements are subject to known and unknown risks, uncertainties and other factors that could influence actual results or events and cause actual results or events to differ materially from those stated, anticipated or implied in the forward looking information. As such, readers are cautioned not to place undue reliance on the forward looking information, as no assurance can be provided as to future results, levels of activity or achievements. The risks, uncertainties, material assumptions and other factors that could affect actual results are discussed in our Annual Information Form and other documents available at [www.sedar.com](http://www.sedar.com). Furthermore, the forward-looking statements contained in this document are made as of the date of this document and, except as required by applicable law, Twoco does not undertake any

obligation to publicly update or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this document are expressly qualified by this cautionary statement.

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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