

TWOCO PETROLEUMS LTD. FIRST QUARTER HIGHLIGHTS AND 2010 UPDATE

May 28, 2010

Calgary, Alberta – Twoco Petroleum Ltd. (“Twoco” or the “Company”) (TSX Venture – TWO) announces financial and operating results for the quarter ended March 31, 2010 and an update of its 2010 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 March 31, 2010, 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 March 31, 2010.

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

Highlights of the First Quarter 2010 include:

- Average production of 793 boe per day – a 47% decrease from the First Quarter 2009 – 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 \$1,856,196 – a 50% decrease from the First Quarter 2009 – due to lower production and lower natural gas prices;
- Cash flow from operations of \$327,282 (\$0.03 per share) – an 81% decrease from the First Quarter 2009 due to lower production and lower natural gas prices;
- Operating netback of \$1,152,649 (\$16.14 per boe);
- Net loss of \$1,421,763 (\$0.10 per share);
- Capital expenditures of \$276,282;
- Current land position of 129,467 gross (96,244 net) acres;
- Operating costs of \$8.39 per boe; and
- General and administrative expenses of \$4.68 per boe.

Highlights of Twoco’s anticipated 2010 work program and summary of operations for the year to date include:

- Approval of a \$2,700,000 capital budget;
- Participation in the drilling of 6 wells – targeting both oil and natural gas;
- Current production of approximately 850 boe per day; and
- Twoco estimates current shut-in and behind pipe production capability of approximately 200 boe per day.
- Management is currently working on certain strategic alternatives including, but not limited to, recapitalizing the Company through financing arrangements or merging with other companies. All of these alternatives will take time and management believes that it has the continued financial support of its lender and will be able to address and resolve the liquidity issues created by the current economic climate. There is no assurance, however, that any or all of these alternatives will materialize or that additional funding will be available, if and when needed.
- On May 7, 2010, Alberta Treasury Branches and the Company have agreed to changes to the current credit facilities that includes an increase to the interest rate on its \$18,000,000 credit facility to prime plus 3.75% effective as of April 15, 2010. The repayments of this credit facility are to be made from net

proceeds of any additional borrowing, proceeds on sale of property and proceeds from equity issuance. The change to this credit facility was made based on the lender's current assessment and interpretation of the Company's reserves and future commodity prices. These kinds of interpretation can vary from lender to lender and are subject to the lender's lending policies from time to time and the fluctuating and uncertain gas markets. The next review date for the Company's current credit facilities is expected to occur on June 30, 2010. As the available credit limits of lending on the credit facilities are based on the lender's interpretations of reserves and future commodity prices, there can be no assurance that the amount of credit facilities will not change at the next scheduled review.

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, strategic alternatives, the support of the Company's lender and the review of the Company's credit facilities. 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. 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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