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## **PRESS RELEASE**

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### **PETRODORADO ANNOUNCES FILING OF ITS FIRST QUARTER 2010 FINANCIAL STATEMENTS AND MD&A**

**Calgary May 31, 2010 Petrodorado Energy Ltd. (“Petrodorado” or the “Company”)** (TSXV-PDQ) is pleased to announce the filing of its unaudited consolidated financial results for the period ended March 31, 2010 that have been prepared in accordance with Canadian GAAP, together with its Management's Discussion and Analysis. These documents are available on the Company's website at [www.petrodorado.com](http://www.petrodorado.com) and on SEDAR at [www.SEDAR.com](http://www.SEDAR.com).

#### **BUSINESS PROFILE AND STRATEGY**

The Company is primarily engaged in petroleum and natural gas exploration and development activities in Colombia, Peru and Paraguay. Petrodorado's head office is located in Calgary, Alberta, Canada and the Company's shares are traded on the TSX Venture Exchange under the trading symbol PDQ.

Petrodorado was formed to explore for and develop petroleum assets in South America, with an initial focus on Colombia, Peru and Paraguay. It's highly experienced management team have acquired a significant portfolio of assets with three low-risk blocks (blocks have an oil discovery) and four potential high impact blocks. The Company evaluated 44 blocks before selecting these final eight blocks.

For the balance of 2010, Petrodorado is planning to drill a minimum of four wells and acquire approximately 1,500 kilometres of 2D seismic data. Each of these four wells will be drilled on existing blocks including La Maye, Talora and Buganviles. The 1,500 kilometres of 2D seismic data will assist in the identification of up to six potential well locations that are planned to be drilled in 2011.

Petrodorado's strategic priorities are to:

- Increase reserves and production through exploration;
- Maintain a strong balance sheet by controlling debt and managing capital expenditures;
- Control costs through efficient management of operations;
- Explore undeveloped acreage to identify and create development opportunities;
- Maintain a strong focus on employee, contractor and community health and safety; and

- Manage environmental and social performance to minimize negative ecological impacts and ensure continued stakeholder support.

## **PETROLEUM AND NATURAL GAS PROPERTIES AND OUTLOOK**

At present, Petrodorado has beneficial participation in eight oil and gas blocks. A total of 23 drilling prospects and 13 drilling leads have been identified in these blocks with an overall probability of success set at 15%.

### **Colombia**

#### ***Moriche Block***

In January 2010, Petrodorado signed a definitive agreement with Pacific Rubiales Energy Corp. (“PRE”) for an undivided 49.5% working interest in the Mauritia East Prospect in the Moriche Block. The Moriche Block consists of approximately 6,229 hectares (approximately 15,392 acres) and is located in the Llanos basin of Colombia. In exchange for this working interest, Petrodorado committed to fund 100% of the total investment for the current exploratory phase for the block, equal to US\$5.53 million.

During the first quarter ended March 31, 2010, Petrodorado and PRE successfully completed a discovery well ME-1 as a Mirador producer on the Moriche block at a cost of \$5.5 million net to Petrodorado. The drilling of the ME-1 well completes Petrodorado’s commitment to earn the 49.5% working interest in the Moriche Block.

The ME-1 well tested at a peak rate of 693 bopd of 14 degree API oil and is expected to be tied in and on production in June 2010. The drilling of additional production well(s) in the same structure is being planned by the Company and PRE utilizing the production data from the ME-1 discovery well. The additional well(s) are expected to be drilled in the second half of the year.

#### ***Buganviles Block***

Petrodorado has a 49.5% working interest in the Buganviles Block located in the upper Magdalena basin of Colombia obtained through two separate transactions. The Buganviles Block consists of approximately 22,128 hectares (approximately 54,679 acres) and is located in the upper Magdalena basin of Colombia.

In February 2010, Petrodorado obtained a 20% undivided working interest in the Buganviles Block through the purchase of all of the issued and outstanding shares of Holywell Resources S.A. (“Holywell”) from a private vendor for the aggregate cash purchase price of approximately \$6.3 million. Holywell is a private (Panama incorporated) oil & gas company with operations in Colombia, South America. The name Holywell has been changed to Petrodorado South America S.A. (“Petrodorado SA”).

In addition, in November 2009, Petrodorado announced it was the successful bidder with PRE (operator) to farm-in on the Buganviles Block to earn a 29.5% working interest. In exchange for this working interest Petrodorado will fund a total investment of US\$2.27 million which will be spent on the drilling of one new exploratory well.

The Company has identified six drilling prospects and four drilling leads on the Buganviles Block with a probability of success set at 28%. Final well locations are presently being defined in conjunction with the operator, PRE. The first exploration well is expected to commence drilling in July 2010.

### ***La Maye Block***

Petrodorado has an undivided 20% working interest in an exploration and production contract with the Agencia Nacional de Hidrocarburos (“ANH”) in the La Maye Block and an undivided 20% interest in four turn-key test wells and associated tie-in equipment. The La Maye Block is located in the Lower Magdalena Valley of Colombia and consists of approximately 5,992 hectares (approximately 14,800 acres).

The Company has identified three additional drilling prospects on the La Maye Block with a probability of success set at 25%. Petrodorado (in conjunction with the operator) drilled the Noelia-1 as the first exploration oil well on the La Maye Block in October of 2009. A second exploration well is expected to commence drilling in July of 2010. The first exploration well will be tested in conjunction with the testing of the second well.

In 2009, Petrodorado paid \$3.5 million into an escrow account to satisfy its commitment to the participation agreement. Petrodorado authorizes draws from this account as certain development milestones are met. As at March 31, 2010, approximately \$2,400,000 had been drawn from this account leaving approximately \$1,100,000 in the escrow account. The operator has also agreed to directly fund \$653,000 of Petrodorado’s obligations for future exploration activity on the La Maye Block which obligation is accounted for as a receivable on Petrodorado’s balance sheet. The combination of the escrow account and the operator receivable (\$1,800,397) is expected to fully fund Petrodorado’s share of remaining wells in the project.

### ***Talora Block***

Petrodorado is party to a participation agreement with a private Colombia based company to earn a 55% interest in the Talora block located in the Upper Magdalena basin of Colombia. The Talora block consists of 65,972 hectares (approximately 163,000 acres) southwest of Bogota.

The Company acquired 122km of 2D seismic data in March 2010 and seismic processing and interpretation are underway. Petrodorado has identified four drilling prospects and two drilling leads on the Talora Block with a probability of success set at 18%. An exploration well targeting 25 to 35 degree API oil is planned for September 2010.

### ***Tacacho Block***

In January 2010, Petrodorado acquired a 49.5% working interest in the Tacacho Block located in the Putumayo Basin of Colombia. The Tacacho block measures approximately 599,000 hectares (approximately 1,617,300 acres) and is located in the foreland basin of the Putumayo mountain range, in the Eastern Cordillera of Colombia. PRE has a 50.5% working interest in the block. The 24 month-long exploration program includes the acquisition, processing and interpretation of 480 kilometres of 2D seismic data. Initial environment assessments are underway for the

seismic program. To date, Petrodorado has identified six drilling leads on the Talora Block and has set the probability of success at 13%.

## **Peru**

In February 2010, Petrodorado signed a definitive agreement with PRE to farm-in on two exploration blocks in Peru. The working interests in Blocks 135 and 138 are subject to Peruvian government and/or regulatory approvals.

### ***Block 135***

Petrodorado has acquired a 45% working interest in Block 135 located in the Marañon Basin of Peru with a gross area of approximately 926,000 hectares (approximately 2.5 million acres). In exchange for this working interest, Petrodorado will fund 45% of the total investment for the second exploratory phase for the block. PRE will retain a 55% working interest in the block. To date, Petrodorado and PRE have identified two drilling prospects on Block 135 and have set the probability of success at 12%.

### ***Block 138***

Petrodorado has acquired a 45% working interest in Block 138 located in the Ucayali Basin of Peru with a gross area of approximately 370,000 hectares (approximately 1.0 million acres). In exchange for this working interest, Petrodorado will fund 45% of the total investment for the second exploratory phase for the block. PRE will retain a 55% working interest in the block. To date, Petrodorado and PRE have identified four drilling prospects on Block 138 with a probability of success set at 10%.

## **Paraguay**

### ***Pirity Block***

Through a non-binding letter of intent with a private US based company dated September 23, 2009, Petrodorado has the opportunity to negotiate definitive agreements granting Petrodorado up to an undivided 60% working interest in a concession contract with the Government of the Republic of Paraguay in the Pirity Block. The Pirity Block consists of approximately 485,623 hectares (approximately 1,200,000 acres) and is located in the Western Region of Paraguay.

Based upon available information, Petrodorado has identified three drilling prospects and one drilling lead on the Pirity Block. Petrodorado has set the probability of success at 15%. To date, the Company has not engaged in any exploration activity or incurred any costs on exploration or development on the Pirity Block.

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Except for the statements of historical fact contained herein, the information presented constitutes "forward-looking statements". Such forward-looking statements, including but not limited to uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers are cautioned that the assumption used in the preparation of the forward-looking statements, 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.

The forward-looking statements contained in this press release are made as of the date of this press release. Except as required by law, the Company disclaim any intention and assume no 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 law. Additionally, the Company undertakes no obligation to comment on the expectations of, or statements made, by third parties in respect of the matters discussed above.