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## **PRESS RELEASE**

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### **PETRODORADO FLOWS 22° API OIL FROM LOTO-1X WORKOVER AND PROPOSES APPROVAL OF POTENTIAL SHARE CONSOLIDATION**

**July 10, 2014 – Calgary, Alberta: Petrodorado Energy Ltd. (“Petrodorado” or the “Company”) (TSXV-PDQ)** is pleased to announce positive results from the workover testing program conducted on the Loto-1X discovery well on the CPO-5 Block of the Los Llanos Basin in Colombia. As well, the Company proposes a share consolidation for shareholder approval at its upcoming annual and special meeting (the “Meeting”) of shareholders, along with resolutions for renewals of the Company’s shareholder rights plan and stock option plan. The Meeting will be held at the Calgary Petroleum Club, 319 – 5<sup>th</sup> Avenue S.W., Calgary, Alberta, on July 25, 2014, at the hour of 10:00 am (Calgary time).

#### **Loto-1X Workover Results**

The workover program on the discovery well Loto-1X (non-operated, 30% WI) was aimed at gathering technical information from the Mirador formation, including flow test rates for the previously untested sand of the top interval of the Mirador formation (“Top Mirador”). Following partial hydraulic isolation of the oil-bearing Mirador formation, the testing program results confirmed mobile 17° API oil in the Lower and Middle Mirador sand as well as a lighter 22° API mobile oil in the Top Mirador sand.

The Loto-1X Top Mirador sand produced 22° API oil over a four day test period, including an average pump-restricted rate of 453 barrels of oil equivalent per day (“bopd”) over the last 42 hours of the test with declining water cut that did not stabilize, dropping to 50%. A continual increase in oil flow rate was measured during the testing period, highlighting the potential for a 20% to 30% increase in oil flow rates (versus the measured 453 bopd rate) from the Top Mirador sand using a larger pump. Production data from the Lower and Middle Mirador sand suggests poor zone isolation, which could be leading to water, instead of oil, flowing through the annulus.

The partners have agreed to a long term production test to be conducted on the well as soon as surface facilities are prepared. The long term test is aimed at measuring the Top Mirador sand deliverability using the recently installed larger downhole pump as well as confirming if water is being produced through the annulus. Plans are also being finalized for an alternate well to be drilled on the structure with the objective of producing the Mirador with proper zone isolation.

A 3D seismic program is currently planned for the second half of 2014, part of which will cover the Loto Structure appraisal area, aimed at supplementing the available 2D seismic mapping.

## **Gregg Vernon, President and CEO**

*“The positive result from the Top Mirador sand of flowing lighter oil and confirming that poor zone isolation affected test results over the Lower and Middle Mirador sands supports our previous interpretation of the potential from the Loto structure. We look forward to drilling and testing a new Mirador well on Loto.”*

## **Share Consolidation Proposal**

At the Meeting of shareholders of the Company to be held on July 25, 2014, Petrodorado shareholders will be asked to consider and approve a potential consolidation of the issued and outstanding common shares of the Company on a basis of up to twenty pre-consolidated shares for one post-consolidation share, or such lesser ratio that the Board of Directors of the Company (the “Board”), in its sole discretion, may determine to be appropriate.

Although approval for a potential share consolidation is being sought at the Meeting, such a consolidation would only become effective at a future date if the Board considers it to be in the best interests of the Company to implement such a consolidation, and is subject to TSX Venture Exchange acceptance.

The Company believes that a share consolidation may enhance the marketability of the common shares as an investment and may facilitate future financings and greater institutional exposure, pursuant to the TSX Venture Exchange minimum pricing rules for financings.

Assuming a consolidation ratio of twenty pre-consolidation common shares for one post-consolidation common share (the Board being permitted to consolidate on a lesser ratio in its sole discretion), the consolidation would result in the 482,547,066 pre-consolidation common shares that are currently outstanding being reduced to approximately 24,127,353 post-consolidation common shares.

Petrodorado's cash position is considered adequate to meet its current forecast of financial commitments and obligations in Colombia for its existing asset base for the anticipated 2014 capital program. However, a considerable degree of uncertainty exists as to the timing of future activities.

## **About Petrodorado Energy Ltd.**

Petrodorado is primarily engaged in petroleum and natural gas exploration and development activities in Colombia. Its head office is located in Calgary, Alberta, Canada and Petrodorado's common shares are traded on the TSXV under the trading symbol “PDQ”.

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## **Forward Looking Statements:**

*This news release includes information that constitutes “forward-looking information” or “forward-looking statements”. More particularly, this news release contains statements concerning expectations regarding,*

*regulatory and partner approvals on the Company's development plan, drilling and operational opportunities and the timing associated therewith, test results and the timing thereof, the use of available cash on hand in addition to the potential exploration and development opportunities and expectations regarding regulatory approval and the overall strategic direction of the Company. The forward-looking statements contained in this document, including expectations and assumptions concerning the obtaining of the necessary regulatory approvals, including ANH approval, and the assumptions, opinions and views of the Company or cited from third party sources, are solely opinions and forecasts which are uncertain and subject to risks. A multitude of factors can cause actual events to differ significantly from any anticipated developments and although the Company believes that the expectations represented by such forward-looking statements are reasonable, undue reliance should not be placed on the forward-looking statements because there can be no assurance that such expectations will be realized. Material risk factors include, but are not limited to: the inability to obtain regulatory approval, including ANH approval, for the transfer of participating interests and/or operatorship for the Company's properties, the risks of the oil and gas industry in general, such as operational risks in exploring for, developing and producing crude oil and natural gas, market demand and unpredictable shortages of equipment and/or labour; potential delays or changes in plans with respect to exploration or development projects or capital expenditures; fluctuations in oil and gas prices, foreign currency exchange rates and interest rates, and reliance on industry partners.*

*Data obtained from the initial testing results at the referenced wells, which may include barrels of oil produced and levels of water-cut, should be considered to be preliminary until a further and detailed analysis or interpretation has been done on such data. The test results disclosed in this press release are not necessarily indicative of long-term performance or of ultimate recovery. The reader is cautioned not to unduly rely on such results as such results may not be indicative of future performance of the well or of expected production results for the Company in the future.*

*Neither the Company nor any of its subsidiaries nor any of its officers, directors or employees guarantees that the assumptions underlying such forward-looking statements are free from errors nor does any of the foregoing accept any responsibility for the future accuracy of the opinions expressed in this document or the actual occurrence of the forecasted developments.*

*The forward-looking statements contained in this document are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.*

*Neither the 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.*