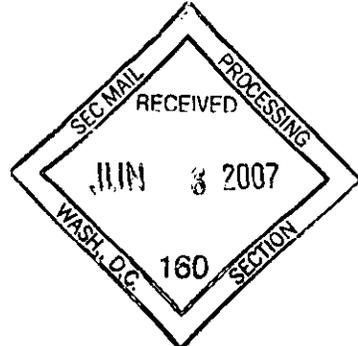


062-34812



May 29, 2007

Securities and Exchange Commission  
Judiciary Plaza  
450 - 5<sup>th</sup> Street NW  
Washington D.C. 20549

**PROCESSED**

JUN 12 2007 *E*  
THOMSON  
FINANCIAL

**SUPL**

Re: Petrobank Energy and Resources Ltd.

Dear Sir or Madam:

Pursuant to Regulation 12g3.2(b) please find enclosed documents made public and filed with Canadian Securities Regulators that form part of the continuous disclosure record of Petrobank Energy and Resources Ltd.

Sincerely,

*JRodier*

Tanya Rodier  
for:

Corey C. Ruttan  
Vice-President Finance

*JLR 6/11*

**PETROBANK ELECTS TO FUND \$120 MILLION ACQUISITION OF  
MINORITY INTEREST IN WHITESANDS WITH CASH**

Calgary, Alberta – May 28, 2007 – Petrobank Energy and Resources Ltd. (“Petrobank”) (TSX: PBG) (OSLO: PBG) is pleased to announce that we have notified the minority shareholders of WHITESANDS Insitu Ltd. (“WHITESANDS”) of our election to fund the \$120 million acquisition of their 16% interest in WHITESANDS entirely with cash. Accordingly, no Petrobank common shares will need to be issued to these minority shareholders at a discounted price of \$22.496 per share. The transaction will increase Petrobank’s ownership of WHITESANDS from 84% to 100% and is expected to close on or about June 11, 2007.

Mr. John D. Wright, President and CEO, commented, “given Petrobank’s prospects for growth, we were pleased to have the financial flexibility to fund this acquisition entirely with cash as opposed to issuing shares at a discount to current market value. This avoids dilution to our existing shareholders at this key point in our evolution. By owning 100% of WHITESANDS we increase our flexibility to explore new business opportunities and aggressively develop THAI™ and CAPRI™ on a global basis.”

***Petrobank Energy and Resources Ltd.***

Petrobank Energy and Resources Ltd. is a Calgary-based oil and natural gas exploration and production company with operations in western Canada and Colombia. The Corporation operates high-impact projects through three business units. The Canadian Business Unit is developing a solid production platform from low risk gas opportunities in central Alberta and an extensive inventory of Bakken light oil locations in southeast Saskatchewan, complemented by new exploration projects and a large undeveloped land base. The Latin American Business Unit is operated by Petrobank’s 80.7% owned, TSX-listed subsidiary, Petrominerales Ltd. (trading symbol: PMG), which produces oil through two Incremental Production Contracts in Colombia and has exploration contracts covering 1.5 million acres in the Llanos and Putumayo Basins. WHITESANDS Insitu Ltd., Petrobank’s 84% owned subsidiary, owns 39,680 acres of oil sands leases with an estimated 2.6 billion barrels of gross bitumen-in-place and operates the WHITESANDS project which is field-demonstrating Petrobank’s patented THAI™ heavy oil recovery process. THAI™ is an evolutionary in-situ combustion technology for the recovery of bitumen and heavy oil that integrates existing proven technologies and provides the opportunity to create a step change in the development of heavy oil resources globally.

### **Forward-Looking Statements**

*Certain information provided in this release constitutes forward-looking statements. The words "anticipate", "expect", "project", "estimate", "forecast" and similar expressions are intended to identify such forward-looking statements. Although Petrobank believes that these statements are based on information and assumptions which are current, reasonable and complete, these statements are necessarily subject to a variety of risks and uncertainties. You can find a discussion of those risks and uncertainties in our Canadian securities filings. Petrobank has made forward-looking statements regarding the acquisition price of the minority shareholders' interest in its WHITESANDS subsidiary. The minority shareholders have indicated that they reserve the right to challenge the valuation of the WHITESANDS shares which could lead to an acquisition price materially different than that anticipated in this release. While Petrobank makes these forward-looking statements in good faith, should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary significantly from those expected. Except as may be required by applicable securities laws, Petrobank assumes no obligation to publicly update or revise any forward-looking statements made herein or otherwise, whether as a result of new information, future events or otherwise.*

### **FOR FURTHER INFORMATION PLEASE CONTACT:**

John D. Wright, President and Chief Executive Officer,  
Chris J. Bloomer, Vice-President Heavy Oil, or  
Corey C. Ruttan, Chief Financial Officer  
Telephone: (403) 750-4400



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**END**