

PETROBANK ANNOUNCES RELEASE OF WHITESANDS PUBLIC DISCLOSURE DOCUMENT FOR MAY RIVER PROJECT

Calgary, Alberta – January 3, 2008 – Petrobank Energy and Resources Ltd. (“**Petrobank**” or the “**Company**”) (TSX/OSLO: PBG), is pleased to announce the release of Whitesands Insitu Partnership’s (“**Whitesands**”) Public Disclosure Document (the “**Document**”) relating to the proposed May River Project. The May River Project is Whitesands’ project to recover bitumen from oil sands on leases held by Whitesands in the Conklin area of northeastern Alberta using the THAI™ (toe-to-heel air injection) in-situ combustion process.

The Document, which can be found on Petrobank’s website (www.petrobank.com), provides information about the May River Project including commercial development plans, the regulatory process, and Whitesands’ broad range of public involvement activities with regional stakeholders. The May River Project will consist of an initial phase with a production capacity of between 10,000 to 15,000 bbl/d of partially upgraded bitumen. This will be followed by additional phases to aggressively build production to 100,000 bbl/d.

Petrobank’s patented THAI™ process is a step-change in the recovery of heavy oil and bitumen resources worldwide. While there are other technologies in use, the THAI™ process has many advantages ranging from speed of project construction, lower capital and operating costs, reduced environmental impact and higher resource recovery potential. We believe that THAI™ is the most sustainable of currently available technologies.

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 Company operates high-impact projects through four 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, operated by Petrobank’s 76.5% owned TSX-listed subsidiary, Petrominerales Ltd. (trading symbol: PMG), is a Latin American-based exploration and production company producing oil from three blocks in Colombia and has contracts on 13 exploration blocks covering a total of 1.5 million acres in the Llanos and Putumayo Basins. Whitesands Insitu Partnership, a partnership between Petrobank and its wholly-owned subsidiary Whitesands Insitu Inc., owns 70,720 net 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. The Archon Technologies Unit focuses on the development and acquisition of new technology and innovations that will capture the commercial benefits of the THAI™ and CAPRI™ technology (e.g., incremental surface upgrading, high-quality produced water, oxygen-enriched injection air, sulphur recovery, carbon dioxide capture and heat recovery). THAI™ and CAPRI™ are registered trademarks of Archon Technologies Ltd., a wholly-owned subsidiary of Petrobank.

Forward-Looking Statements

Certain information provided in this press release constitutes forward-looking statements. The words "anticipate", "expect", "project", "estimate", "forecast" and similar expressions are intended to identify such forward-looking statements. Specifically, this press release contains forward-looking statements relating to the timing of certain projects. The reader is cautioned that assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be incorrect. Actual results achieved during the forecast period will vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors. You can find a discussion of those risks and uncertainties in our Canadian securities filings. Such factors include, but are not limited to: general economic, market and business conditions; fluctuations in oil prices; the results of exploration and development drilling, recompletions and related activities; timing and rig availability, outcome of exploration contract negotiations; fluctuation in foreign currency exchange rates; the uncertainty of reserve estimates; changes in environmental and other regulations; risks associated with oil and gas operations; and other factors, many of which are beyond the control of the Company. There is no representation by Petrobank that actual results achieved during the forecast period will be the same in whole or in part as those forecast. 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.

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