

PETROBANK REPORTS Q3 2013 FINANCIAL AND OPERATING RESULTS, UPDATED CORPORATE STRATEGY AND INVESTOR CONFERENCE CALL

Calgary, Alberta – November 12, 2013 – Petrobank Energy and Resources Ltd. (TSX: PBG) announces our 2013 third quarter financial and operating results and updated corporate strategy.

The consolidated financial statements as at and for the three and nine months ended September 30, 2013 and 2012 represent the operations of the assets and liabilities transferred to Petrobank pursuant to the corporate reorganization with PetroBakken Energy Ltd. (now renamed Lightstream Resources Ltd.) completed December 31, 2012. These assets and liabilities previously comprised the 'Petrobank Standalone' operating segment in our 2012 financial disclosure.

This news release includes forward-looking statements and information within the meaning of applicable securities laws. Readers are advised to review "Forward-Looking Statements" at the conclusion of this news release. A full copy of our 2013 Third Quarter Financial Statements and MD&A have been filed on our website at www.petrobank.com and under our profile on SEDAR at www.sedar.com.

In this report, quarterly comparisons are third quarter 2013 compared to third quarter 2012 unless otherwise noted. All financial figures are unaudited and in Canadian dollars (\$) unless otherwise noted.

OVERVIEW

Q3 2013 Financial and Operating Highlights

- Average sales oil production at our Kerrobert THAI® project was 152 barrels of oil per day ("**bopd**") in Q3 2013, an increase from 135 bopd in Q2 2013 and a decrease from 305 bopd in Q3 2012. Kerrobert THAI® production averaged 195 bopd in October 2013 based on field estimates.
- Petrobank reported expenditures on exploration and evaluation assets of \$9.4 million in Q3 2013 compared to \$9.6 million in Q3 2012. Our Q3 2013 expenditures were primarily related to drilling and completing two multi-THAI® air injection wells at Kerrobert and two horizontal conventional cold heavy oil production wells in the Luseland area.
- ➤ We renewed our Normal Course Issuer Bid which will allow us to repurchase up to 7,544,206 of our shares until September 29, 2014.

OPERATIONAL UPDATE

Kerrobert THAI® Project

Third quarter 2013 sales oil production averaged 152 bopd, an increase from second quarter 2013 production of 135 bopd and a decrease from 305 bopd in the third quarter of 2012. October 2013 production was 195 bopd based on field estimates.

We continue to believe that our biggest technical challenge at Kerrobert is to form a large and expanding THAI® combustion front at the top of the reservoir which results in gravity drainage of the heated, upgraded heavy oil into the horizontal production wells. We also believe that permeability channels have been created from the upper combustion zone to the bottom of the reservoir and that injected air and combustion gas preferentially follow these channels rather than staying at the top of the reservoir, slowing the growth of the THAI® combustion zone. In the third quarter we drilled two multi-THAI® air injection wells associated with two separate horizontal production wells to help increase the amount of reservoir that is being impacted by combustion. Air injection commenced in early September and we have not yet seen additional production associated with these new injection wells.

Saskatchewan Conventional Cold Production

At September 30, 2013, Petrobank had one conventional cold production well in the Kerrobert area producing approximately 20 bopd. We drilled and completed two horizontal wells in our Luseland area in July and these wells are in clean-up stage of production.

Dawson Demonstration Project

At Dawson, we commenced cold production operations from both horizontal THAI® production wells in late 2012. We have currently shut-in these wells to reduce costs as they have not produced at economic rates. We received Alberta Energy Regulator ("AER") approval to initiate two cyclic steam stimulation ("CSS") cycles with each of our THAI® production wells. We are currently preparing surface facilities for CSS operations and expect to initiate the first three month steam cycle in late November 2013.

CORPORATE STRATEGY

Petrobank recognizes that we have invested significantly in the THAI® process and we are disappointed with current production rates. We are taking pro-active steps to develop a sustainable operation which will create value for our shareholders. We recognize that our positive working capital is our most valuable asset at this time and we are taking steps to conserve it for future projects and acquisition opportunities. Our corporate strategy includes the following five concepts:

- 1. Eliminate the negative cash flow at our Kerrobert project by mid-2014 through advancing THAI®, evolving other combustion techniques, and/or reducing operating costs;
- 2. Assess the viability of Steam Assisted Gravity Drainage ("SAGD") at our Kerrobert property;
- 3. Initiate our Dawson CSS cycle and assess this process as a pre-cursor for THAI® or other combustion operations, or as a standalone process;
- 4. Evaluate other in-situ combustion processes and configurations; and
- 5. Pursue corporate and/or asset acquisition opportunities.

Kerrobert THAI® operations continue to generate negative field operating netbacks and we are currently developing plans to eliminate this negative netback by mid-2014. This may include investing small amounts of capital to test new processes to increase production and reducing costs by shutting-in low-volume wells that require workovers. All options are being analyzed and more detailed plans will be announced by early 2014. At this time, it is our intention to suspend THAI® operations in the event the negative netback cannot be eliminated by the end of the first half of 2014.

Concurrent with our THAI® operations, we are also analyzing steam based processes for our Kerrobert and Dawson assets. At Kerrobert, we are evaluating our resource base and assessing converting one or more production wells from our THAI® project to pilot a SAGD production process. While there is currently one successful SAGD project on the Kerrobert trend, we are assessing operating risk factors that include reservoir thickness, bottom water, existing well configuration and the influence of current THAI® operations.

At Dawson, with successful results from our CSS cycle(s) we will consider seeking regulatory approval to expand the CSS project. Other operators are implementing CSS projects on the same Bluesky channel trend adjacent to our Dawson lands.

We continue to believe that in-situ combustion is an important technology for the oil and gas industry and we are encouraged that several other oil and gas companies are evaluating combustion in Western Canada. We have over seven years of in-field combustion experience that we believe provides us with data and knowledge that can be used to advance and commercialize combustion processes. We continue to perform research and development into combustion and may undertake combustion projects in other reservoirs or as enhanced recovery after or concurrent with conventional or steam operations.

With a strong balance sheet that is expected to have over \$50 million of working capital and no debt at yearend 2013, Petrobank is also reviewing several acquisition opportunities to maximize the value of our asset base, combustion experience and strong balance sheet. We are focused on generating cash flow and future value creation opportunities for Petrobank's shareholders.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2013, Petrobank had cash and cash equivalents of \$22.3 million, investments in marketable securities of \$44.2 million and a net working capital surplus (including cash and marketable securities) of \$59.9 million (\$0.61 per basic share). Our focus is to steward our balance sheet to maintain financial flexibility to pursue future projects and acquisition opportunities while positioning the company to benefit from our strong capital base. We expect to fund our 2013 expenditures with cash on hand and sales revenue from production.

We would like to reiterate the updated working capital guidance we provided with the release of our Q2 2013 financial and operating results. We are on target to end 2013 with more than \$50 million of positive net working capital and no debt, assuming September 30, 2013 valuations for our marketable securities.

SUMMARY OF FINANCIAL RESULTS

The following table provides a summary of Petrobank's financial results for the three and nine months ending September 30, 2013 and 2012. Unaudited consolidated financial statements with MD&A will be available on the Company's website at www.petrobank.com and on the SEDAR website at www.sedar.com.

	Three months ended Sept.30,			Nine months ended Sept. 30,		
	2013	2012	% Dif.	2013	2012	% Dif.
Financial (\$000s, except where noted)						
Net loss (income)	1,460	6,025	(76)	8,619	(35,984)	-
Per share – basic and diluted (\$)	0.01	0.06	(83)	0.09	(0.37)	-
Expenditures on exploration assets	9,394	9,581	(2)	20,866	31,535	(34)
Total assets	147,883	339,861	(56)	147,883	339,861	(56)
Common shares outstanding, end of period						
(000s)						
Basic and diluted (1)	97,438	97,597	-	97,438	97,597	-

⁽¹⁾ Due to the corporate reorganization which occurred on December 31, 2012, the 2012 per share amounts are based on the number of shares outstanding on December 31, 2012.

INVESTOR CONFERENCE CALL

Management of Petrobank plans to hold a conference call for investors, financial analysts, media and any interested persons on **Thursday, November 14**, 2013 at 9:00 a.m. Mountain Time (11:00 a.m. Eastern Time) to discuss Petrobank's third quarter 2013 financial and operating results and corporate strategy. The investor conference call details are as follows:

Live call dial-in numbers: 416-695-7806 / 888-789-9572

Pass code: 7534686

Replay call dial-in numbers: 905-694-9451 / 800-408-3053

Replay pass code: 8987176

The live audio webcast link is: http://www.gowebcasting.com/5113 and is also available on our website at: http://www.petrobank.com/investors/presentations-webcasts.

Petrobank Energy and Resources Ltd. is a Calgary-based oil and natural gas exploration and production company with operations in western Canada. Petrobank is applying our patented THAI® heavy oil recovery process in the field. THAI® is an evolutionary in-situ combustion technology for the recovery of bitumen and heavy oil. THAI® is a registered trademark of Archon Technologies Ltd., a wholly-owned subsidiary of Petrobank Energy and Resources Ltd., for specialized methods for recovery of oil from subterranean formations through in-situ combustion techniques and methodologies with or without upgrading catalysts.

Forward-Looking Statements: Certain information provided in this press release constitutes forward-looking statements. Specifically, this press release contains forward-looking statements relating to financial results, results from operations, the timing of certain projects, potential future transactions and anticipated sources of available financing. Forward-looking statements are necessarily based on a number of assumptions and judgments, including but not limited to, assumptions relating to the outlook for commodity and capital markets, the success of future resource evaluation and development activities, the successful application of our technology, the performance of producing wells and reservoirs, well development and operating performance, ability to source and complete asset or corporate transactions, general economic conditions, weather and the regulatory and legal environment. 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; weather conditions and access to our properties; fluctuations in oil prices; the results of exploration and development drilling, recompletions and related activities; timing and rig availability; outcome of contract negotiations; fluctuation in foreign currency exchange rates; the uncertainty of reserve estimates; changes in environmental and other regulations; uncertainties associated with the regulatory review and approval process in respect to our projects; risks associated with the application of early stage technology; 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 forecasted. 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:

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