Americas Petrogas Inc. Announces 2013 Results and Reserves

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Operating Netback(1) of $57.9 million or $73.72 per barrel; Net revenue of $54.5 million; $18.3 million of cash and investments

CALGARY, May 5, 2014 - Americas Petrogas Inc. ("Americas Petrogas" or the "Company") (TSX VENTURE:BOE) announces its 2013 results and updated reserve estimates.

Summary Financial and Operational Highlights

Selected financial and operational information is outlined below and should be read in conjunction with the Company's annual consolidated financial statements and the related Management's Discussion and Analysis ("MD&A") for the year, which have been filed on SEDAR under the Company's profile at www.sedar.com and are also available on the Company's website at www.americaspetrogas.com. All amounts are in Canadian dollars unless otherwise stated.

($ in thousands, except per share, and per barrel amounts)	Year ended December 31	
	2013	2012
Gross oil sales revenue	$ 63,018	$ 53,795
Net revenue(1)	$ 54,500	$ 46,207
Operating netback (including Oil Plus benefits)(2)	$ 57,874	$ 35,607
Operating netback (including Oil Plus benefits) per barrel(2)	$ 73.72	$ 50.11
Operating netback (excluding Oil Plus benefits) per barrel(2)	$ 43.69	$ 48.29
Net income (loss) attributable to owners of the Company	$ (11,755)	$ (12,500)
Earnings (loss) per share - basic and diluted	$ (0.06)	$ (0.06)
Funds flow from operations(3)	$ 43,855	$ 21,744
Per share - basic	$ 0.21	$ 0.11
Per share - diluted	$ 0.20	$ 0.10
Weighted average number of common shares outstanding(4)		
Basic	212,669,147	205,767,533
Diluted	214,836,413	212,642,586
Cash flow from operating activities	$ 31,354	$ 9,791
Capital expenditures	$ 84,172	$ 75,864
Average barrels sold per day	2,151	1,947
Average selling price per barrel	$ 80.27	$ 75.70

($ in thousands)	December 31, 2013	December 31, 2012
Cash and cash equivalents	$ 18,334	$ 12,426
Working capital(5)	$ 21,687	$ 51,974
Equity outstanding		
Common shares	212,572,440	212,728,283
Stock options	17,946,093	11,821,750

Notes:
(1) "Net revenue" is an additional GAAP measure because it is presented in the consolidated statement of income (loss). Net revenue is gross revenue less royalties. The Company uses "net revenue" as an indicator of operating performance.

(2) "Operating netback" is a non-GAAP measure and is calculated as revenues from oil sales less royalties and production costs. Operating netback is used as an indicator of operating performance, profitability and liquidity. "Operating netback (excluding Oil Plus benefits)" excludes any Oil Plus benefits credited to production costs. "Operating netback (including Oil Plus benefits)" is net of any Oil Plus benefits credited to production costs. Operating netback does not have a standardized meaning prescribed by IFRS. It is unlikely

for non-GAAP measures to be comparable to similar measures presented by other companies. For the year ended December 31, 2013, operating netback including Oil Plus benefits was $57.9 million (calculated as gross oil sales revenue of $63.0 million less royalties of $8.5 million plus production costs recovery of $3.4 million). For the year ended December 31, 2012, operating netback was $35.6 million (calculated as gross oil sales revenue of $53.8 million less royalties of $7.6 million and production costs of $10.6 million).

(3) "Funds flow from operations" is an additional GAAP measure because it is presented in the consolidated statement of cash flows. Funds flow from operations and funds flow from operations per share are used to analyze operating performance and liquidity. Funds flow from operations is calculated as net cash generated from (used by) operating activities (as determined in accordance with IFRS) before changes in non-cash balance sheet operating items. Funds flow from operations per share is calculated by dividing funds flow from operations by the weighted average number of shares outstanding. Funds flow from operations should not be considered an alternative to, or more meaningful than net cash generated from (used by) operating activities as determined in accordance with IFRS. Funds flow from operations per share should not be considered an alternative to, or more meaningful than earnings (loss) per share as determined in accordance with IFRS.

(4) Diluted weighted average number of common shares outstanding is computed by adjusting basic weighted average number of common shares outstanding for dilutive instruments. The number of shares included with respect to options, warrants and similar instruments is computed using the treasury stock method, which assumes any proceeds received by the Company upon exercise of the in-the-money instruments would be used to repurchase common shares at the average market price for the period. For the year ended December 31, 2013, 2,167,266 (year ended December 31, 2012 - 6,875,053) common shares were deemed to be issued for no consideration in respect of options.

(5) Working capital is a non-GAAP measure and is calculated as current assets less current liabilities. Working capital is used to assess liquidity general financial strength. Working capital does not have a standardized meaning prescribed by IFRS. It is unlikely for non-GAAP measures to be comparable to similar measures presented by other companies. Working capital should not be considered an alternative to, or more meaningful than current assets or current liabilities as determined in accordance with IFRS.

- Net loss: net loss attributable to owners of the Company was $11.8 million or $0.06 per share during the year ended December 31, 2013, compared to a net loss of $12.5 million or $0.06 per share for the equivalent period of 2012. The loss for 2013 is primarily attributable to a non-cash, foreign exchange loss on an intercompany loan between the Canadian parent company and its Argentina subsidiary.

- Cash position: $18.3 million of consolidated cash and cash equivalents as of December 31, 2013.

- Oil Plus benefits: during the year ended December 31, 2013, the Company recognized $25.5 million of Oil Plus benefits (related to production and reserve increases). This is in addition to $1.3 million of Oil Plus benefits recognized in the fourth quarter of 2012. As of the current date, a total of $26.8 million of Oil Plus benefits have already been collected. An additional $11.5 million has been applied for and remains to be collected.

Reserves

The Company has released the results of an independent reserves evaluation effective December 31, 2013. The report was completed by Chapman Petroleum Engineers Ltd. ("Chapman") and was prepared in accordance with National Instrument 51-101. The full content of the Company's Statement of Reserves Data and Other Oil and Gas Information for the year ended December 31, 2013, including the significant assumptions, has been included in the Company's Annual Information Form for the year ended December 31, 2013, which has been filed on SEDAR (www.sedar.com).

The summary information that follows has been derived from that evaluation.
Proved Reserves (gross): 2,035,000 barrels of oil equivalent (boe)
Proved Reserves (net): 1,722,000 boe
Proved + Probable Reserves (gross): 10,224,000 boe
Proved + Probable Reserves (net): 8,835,000 boe
Proved + Probable + Possible Reserves (gross): 65,436,000 boe
Proved + Probable + Possible Reserves (net): 56,632,000 boe

Highlights and Recent Activities

- On September 19, 2013, Americas Petrogas announced a strategic review, which commenced a process to review strategic alternatives for maximizing shareholder value. The Company engaged Jefferies LLC as its sole financial advisor to assist management in evaluating a range of strategic alternatives. The strategic review is ongoing and the Company continues to evaluate a range of alternatives.

- In 2014, the Board of Directors of the Agency for Promotion of Private Investment ("ProInversion"), an agency of the government of Peru, authorized the Peruvian state-owned company Activos Mineros S.A.C. and the Executive Director of ProInversion to execute the transfer agreement granting an interest in the Bayovar Property to APPSA, Americas Petrogas' Peruvian subsidiary.

- The Company drilled a total of 24 wells on Medanito Sur in 2013, the majority of which were in the earlier part of the year. This drilling resulted in the discovery of new production areas, including El Alpataco, El Calden Este, Amilcar and La Meseta. However, so far in 2014, as the Company reduces its capital expenditures in an effort to preserve its cash position, no new wells have been drilled and coupled with natural decline, oil sales volumes in 2014 are expected to be significantly lower in comparison to corresponding periods in 2013. For the months of January and February 2014, the Company sold approximately 1,253 bopd (net). The Company is, however, as part of its strategic review, evaluating alternative forms of financing including, but not limited to, joint ventures and farm outs, which, if successful, would allow the Company to increase its drilling activity.

- Ryder Scott Company estimated (updated as of March 31, 2014) that the Company has 7.6 billion BOE (27% oil/condensate and 73% gas) P50 Best Case Unrisked Prospective (Recoverable) Resources in the Company's nine unconventional shale oil and shale gas properties located in Argentina. The Company's interests in the nine properties evaluated by Ryder Scott vary from 39% to 90%. See the Company's Annual MD&A for the year ended December 31, 2013 for further information.

- In respect of the Company's unconventional, Vaca Muerta shale exploration wells, the Company, in conjunction with its partner, ExxonMobil, continued to conduct long-term production testing on the LTE.x-1 well and continued to analyze data relating to the ALL.x-1 well and the ADA.x-1 well. A multi-stage hydraulic stimulation program on the ADA.x-1 well was completed in September 2013 and testing of the well began in late November.

For further information regarding the Company's financial results, financial position and related changes, please see the consolidated financial statements and the related MD&A.

The Company has posted a new Investor Presentation on its website at www.americaspetrogas.com.

About Americas Petrogas Inc.

Americas Petrogas Inc. is a Canadian company whose shares trade on the TSX Venture Exchange under the symbol "BOE". Americas Petrogas has conventional and unconventional shale oil and gas and tight sands oil and gas interests in numerous blocks in the Neuquén Basin of Argentina. Americas Petrogas has joint venture partners, including ExxonMobil and Apache, on various blocks in the shale oil and gas corridor in the Neuquén Basin, Argentina. Americas Petrogas also owns an 80% interest in GrowMax Agri Corp., a private company involved in the exploration for near-surface potash, phosphates and other minerals, and potential development of a fertilizer project in Peru. Indian Farmers Fertiliser Co-operative Limited (IFFCO) owns a 20% interest in GrowMax Agri Corp. For more information about Americas Petrogas Inc., please visit www.americaspetrogas.com.

This Press Release contains forward-looking information including, but not limited to, the Company's goals and growth, estimates of reserves and resources, production and cash flows, drilling activities on the Medanito Sur block, reviewing various strategic alternatives, continuing to aggressively de-risk and operate a majority of the Company's substantial Vaca Muerta Shale position in the Neuquén Basin, expanding the Company's application of unconventional drilling technology, and exploiting the Company's large inventory of conventional projects through ongoing development drilling, production testing of the LTE.x-1 well, analysis relating to the ALL.x-1 well and ADA.x-1 well, testing of the ADA.x-1, extension of commitments on the Company's various blocks and the possibility of relinquishments in connection therewith, the approval and execution of the transfer documents required for the acquisition by the Company of the Bayover Property interest and the timing thereof, exploration, appraisal and development activities related to conventional and unconventional oil and gas, and other exploration, development and production activities in respect of the projects in Argentina and Peru. The recovery and resources estimates for the Company's properties described in this Press Release are estimates only and there is no guarantee that the estimated resources will be recovered. The actual resources for the Company's properties may be greater or less than those calculated. Additional forward-looking information is contained in the Company's Annual MD&A and Annual Information Form for the year ended December 31, 2013, and reference should be made to the additional disclosures of the assumptions, risks and uncertainties relating to such forward-looking information in those documents.

Forward‐looking information is based on management's expectations regarding the Company's future growth, results of operations, production, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, plans for and results of drilling activity (including the timing, location, depth and the number of wells), environmental matters, business prospects and opportunities and expectations with respect to general economic conditions. Such forward‐looking information reflects management's current beliefs and assumptions and is based on information, including reserves and resources information, currently available to management. Forward‐looking information involves significant known and unknown risks and uncertainties. A number of factors could cause actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by the forward‐looking information, including but not limited to, risks associated with the oil and gas industry (e.g. operational risks in development, exploration and production, delays or changes to plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of geological interpretations; the uncertainty of estimates and projections in relation to production, costs and expenses and health, safety and environment risks, extensions of concessions and commitments), the risk of commodity price and foreign exchange rate fluctuations, the uncertainty associated with negotiating with foreign governments and third parties located in foreign jurisdictions and the risk associated with international activity and the risk of being unable to raise significant funds on terms acceptable to the Company to meet its capital and operating expenditure requirements in respect of its properties.

Although the forward-looking information contained herein is based upon assumptions which management believes to be reasonable, the Company cannot assure investors that actual results will be consistent with this forward-looking information. This forward-looking information is made as of the date hereof and the Company assumes no obligation to update or revise this information to reflect new events or circumstances, except as required by law. Because of the risks, uncertainties and assumptions inherent in forward-looking information, prospective investors in the Company's securities should not place undue reliance on this forward-looking information.

The term BOE (barrels of oil equivalent) is used in this press release. All calculations converting natural gas to BOE have been made using a conversion ratio of six thousand cubic feet (six "Mcf") of natural gas to one barrel of oil, unless otherwise stated. The use of BOE may be misleading, particularly if used in isolation, as the conversion ratio of six Mcf of natural gas to one barrel of oil is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

Prospective Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development. Uncertainty Ranges are described by the COGEH as low, best, and high estimates for reserves and resources. The Best Estimate is considered to be the best estimate of the quantity that will actually be recovered. It is equally likely that the actual remaining quantities recovered will be greater or less than the best estimate. If probabilistic methods are used, there should be at least a 50 percent probability (P50) that the quantities actually recovered will equal or exceed the best estimate.

In the case of undiscovered resources or a subcategory of undiscovered resources, there is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources. For undiscovered hydrocarbons, the term 'unrisked' means that no geologic or chance of discovery ("play risk") has been incorporated into the hydrocarbon volume estimates.

The estimates of resources for individual properties may not reflect the same confidence level as estimates of resources for all properties, due to the effects of aggregation.

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