



Gran Tierra Energy Inc. Announces First Quarter 2010 Results

Attained Record Quarterly Production of 14,908 Barrels of Oil Per Day, Net After Royalty; Poised to Initiate Exploration Drilling Program in Colombia and Peru

CALGARY, Alberta, May 10, 2010, Gran Tierra Energy Inc. (NYSE Amex: GTE, TSX: GTE), a company focused on oil exploration and production in South America, today announced financial and operating results for the quarter ended March 31, 2010. All dollar amounts are in United States dollars unless otherwise indicated.

Highlights for the quarter include:

- Record quarterly production of 14,908 barrels of oil per day (BOPD), a 43% increase in average daily oil production from the same period in 2009 of 10,389 BOPD, and an increase from fourth quarter 2009 production of 14,714 BOPD, both net after royalty (NAR);
- Revenue and other income for the quarter of \$93.1 million, a 177% increase over the same period in 2009, and a 3% decrease from the fourth quarter of 2009;
- Net income of \$10.0 million or \$0.04 per share basic and diluted, compared to net income of \$14.1 million or \$0.06 per share basic and diluted in 2009;
- Funds flow from operations of \$54.3 million compared to \$20.6 million for the same period in 2009;
- Working capital increased to \$267.0 million at March 31, 2010 compared to \$215.2 million at December 31, 2009;
- Cash and cash equivalents were \$265.7 million at March 31, 2010 compared to \$270.8 million at December 31, 2009. Gran Tierra Energy remains debt free;
- Attained permit approval and subsequently completed location construction for the drilling of Moqueta-1 in the Chaza Block, Putumayo Basin, Colombia. Rig mobilization has been initiated and is approximately 65% complete with drilling expected to commence mid-May, 2010;
- The Environmental Impact Assessment (EIA) approval for seismic and drilling operations has been approved for Block 128, Marañon Basin, Peru; amendments to this approval are being reviewed. Seismic crew mobilization is planned for the second quarter, with drilling of up to four wells expected to commence in the third quarter and continue through fourth quarter, 2010;
- Attained Gas Plus certification for the Valle Morado gas field. Drilling operations have been rescheduled and moved forward, with road improvements and location construction initiated; drilling is expected to commence in early third quarter, 2010.

“In addition to attaining another record level of production, the foundation for our 2010 exploration program has been established in the first quarter of 2010,” said Dana Coffield, President and Chief Executive Officer of Gran Tierra Energy Inc. “Operations have now been initiated in Colombia, Peru and Argentina in what will be our busiest exploration drilling campaign in our history, including up to seven wells in Colombia, up to four wells in Peru and a significant sidetrack well in Argentina. Our focus in Colombia and Peru is on finding additional oil reserves, while our focus in Argentina is on defining the gas resource potential of our lands.”

Production Review

(Barrels of Oil)	Three Months Ended March 31, 2010			Three Months Ended March 31, 2009		
	Colombia	Argentina	Total	Colombia	Argentina	Total
Gross Production	1,709,683	86,445	1,796,128	970,134	107,165	1,077,299
Royalties	(465,131)	(10,097)	(475,228)	(125,056)	(13,362)	(138,418)
Inventory Adjustment	21,017	(235)	20,782	6,193	(10,026)	(3,833)
Production Net After Royalties (NAR)	1,265,569	76,113	1,341,682	851,271	83,777	935,048
Barrels of Oil Per Day (BOPD) (NAR)	14,062	846	14,908	9,459	931	10,389

Financial Review

	Three Months Ended March 31,		
	2010	2009	% Change
(Thousands of U.S. Dollars)			
Revenue and Interest	\$ 93,110	\$ 33,565	177
Net income	\$ 9,960	\$ 14,132	(30)
(U.S. Dollars per Share)			
Net Income Per Share - Basic	\$ 0.04	\$ 0.06	(33)
Net Income Per Share - Diluted	\$ 0.04	\$ 0.06	(33)

Funds flow from operations (1) reconciled to net income (loss) is as follows:

Funds Flow From Operations - Non-GAAP Measure	Three Months Ended March 31,	
	2010	2009
(Thousands of U.S. Dollars)		
Net income	\$ 9,960	\$ 14,132
Adjustments to reconcile net income to funds flow from operations		
Depletion, depreciation, accretion and impairment	40,343	27,529
Deferred taxes	(10,054)	(3,982)
Stock-based compensation	1,362	1,125
Unrealized (gain) loss on financial instruments	(44)	87
Unrealized foreign exchange loss (gain)	12,707	(18,298)
Funds Flows from operations	\$ 54,274	\$ 20,593

(1) Gran Tierra Energy has disclosed a non-GAAP measure “funds flow from operations” in this press release which does not have any standardized meaning prescribed under U.S. generally accepted accounting principles (“GAAP”). Management uses this financial measure to analyze operating performance and the income (loss) generated by Gran Tierra Energy’s principal business activities prior to the consideration of how non-cash items affect that income, and believes that this financial measure is also useful supplemental information for investors to analyze operating performance and Gran Tierra Energy’s financial results. Investors should be cautioned that this measure should not be construed as an alternative to net income (loss) or other measures of financial performance as determined in accordance with GAAP. Gran Tierra Energy’s method of calculating this measure may differ from other companies and, accordingly, it may not be comparable to similar measures used by other companies. Funds flow from operations, as presented, is net income (loss) adjusted for depletion, depreciation and accretion, deferred taxes, stock based compensation, unrealized loss (gain) on financial instruments and unrealized foreign exchange losses (gains).

First Quarter 2010 Financial Highlights:

Revenue and interest increased 177% to \$93.1 million for the three months ended March 31, 2010 compared to \$33.6 million in the same period in 2009. This was due to an increase of 43% in crude oil production in addition to an increase in crude oil prices.

Operating expenses for the first quarter of 2010 amounted to \$10.2 million, a 44% increase from the same period in 2009 due to expanded operations and increased production levels in Colombia. For the three months ended March 31, 2010, operating expenses on a barrel of oil equivalent (“BOE”) basis were \$7.57, a slight increase over the same period in 2009.

Depletion, depreciation and accretion expense (“DD&A”) for the current quarter increased to \$40.3 million compared to \$27.5 million for the same quarter in 2009. On a BOE basis, DD&A for the three months ended March 31, 2010 was \$29.99 compared to \$29.19 for the same period in 2009.

General and administrative expenses (“G&A”) of \$7.2 million for the three months ended March 31, 2010, were 40% higher than the same period in 2009 due to increased employee related costs reflecting the expanded operations in Colombia. However, due to higher production in 2010, G&A expenses per BOE decreased 2% to \$5.34 for the current quarter, compared to \$5.43 for the first quarter of 2009.

The foreign exchange loss of \$14.3 million, of which \$12.7 million is an unrealized non-cash foreign exchange loss, for the first quarter of 2010 primarily, represents a foreign exchange loss resulting from the translation of a deferred tax liability recorded on

the purchase of Solana. In the first quarter of 2009, a \$20.2 million foreign exchange gain was recorded, of which \$18.3 million was an unrealized non-cash foreign exchange gain, primarily as a result of the translation of the deferred tax liability recorded on the purchase of Solana. The deferred tax liability is denominated in Colombian pesos and the devaluation of 6% in the U.S. dollar against the Colombian Peso in the current quarter resulted in the foreign exchange loss. This compares to a 14% appreciation in the U.S. dollar against the Colombian Peso for the three months ended March 31, 2009 which resulted in the foreign exchange gain recorded in that period.

Net income for the first quarter of 2010 was \$10.0 million, or a \$0.04 per share basic and diluted, compared to net income of \$14.1 million, or \$0.06 per share basic and diluted, for the same period in 2009

Balance Sheet Highlights:

The company reported cash and cash equivalents of \$265.7 million at March 31, 2010 as compared to \$270.8 million at December 31, 2009. Working capital increased to \$267.0 million at March 31, 2010, as compared to \$215.2 million at December 31, 2009. Shareholders' equity increased to \$846.0 million at March 31, 2010 from \$816.4 million at December 31, 2009, and the company had no outstanding long-term debt as of March 31, 2010.

Production Highlights:

Average daily consolidated light and medium crude oil production for the three months ended March 31, 2010 increased 43% to a record 14,908 BOPD NAR compared to 10,389 BOPD NAR for the same period of 2009.

Average daily Colombian production of light and medium crude oil for the three months ended March 31, 2010 increased 49% to a record 14,062 BOPD NAR compared to 9,459 BOPD NAR for the same period in 2009. The increase in production is due primarily to increased production from the continued development of the Costayaco field in the Chaza Block in Colombia where Gran Tierra has a 100% working interest subsequent to the acquisition of Solana.

Average daily Argentine production of light and medium crude oil for the quarter ended March 31, 2010 decreased 9% to 846 BOPD NAR compared to 931 BOPD NAR for the same period in 2009.

Operations Update

COLOMBIA – Development Operations

Costayaco Field, Chaza Block

Location construction of Costayaco-11 has been completed and drilling commenced May 5, 2010. Costayaco-11 is being drilled in the northern portion of the Costayaco field, and will be used as a produced-water disposal well and as a water-injector to assist with pressure support maintenance in the T-Sandstone reservoir.

COLOMBIA – Exploration Operations

Moqueta-1 Exploration Well, Chaza Block

Gran Tierra Energy attained Permit approval and completed location construction for the drilling of Moqueta-1 in the Chaza Block, Putumayo Basin, Colombia. Rig mobilization has been initiated and drilling is expected to commence mid-May, 2010. Drilling is expected to take approximately 20 days.

Taruka-1 Exploration Well, Piedemonte Sur Block

Scouting of the Taruka-1 location has been initiated, with road and location construction to follow. Taruka-1 drilling will utilize the same drilling rig as is currently being used at Moqueta-1.

Additional Exploration Drilling

Five additional exploration wells have been budgeted for the second half of 2010, including two in the Azar Block, one in the Rumiayaco Block, one in the Piedemonte Norte Block and one in the Guayuyaco Block. Gran Tierra Energy is continuing the evaluation of other prospects that may be drilled in 2010 and 2011.

Seismic Operations

A combination of 2-D and 3-D seismic acquisition operations has been initiated and is ongoing in the Rumiayaco and Azar blocks. Additional 2-D and 3-D seismic acquisition programs are planned for the Chaza, Guayuyaco, Piedemonte Norte and Piedemonte Sur blocks in 2010. This data will be used for locating exploration wells to be drilled in both 2010 and 2011.

ARGENTINA

The re-entry and sidetrack of the VM.x-1001 well in the Valle Morado Block in the Noroeste Basin has been moved forward and is now scheduled to commence drilling early in the third quarter of 2010, for an estimated cost of \$15 million. As a result of moving this forward, operations for access road improvements and location construction has been initiated. Planned short-term gas sales from the field have been cancelled as a result of the work.

The Secretary of Energy published a resolution on April 15 approving the Valle Morado project for Gas Plus, allowing Gran Tierra Energy to negotiate directly with industrial users for gas sales agreements.

In the Santa Victoria block, the tendering process has begun for a 150 km² 3D and 188 km 2D seismic acquisition program in the third quarter of 2010 to define structural and stratigraphic traps in a gas-condensate trend identified from existing seismic data.

A variety of workovers and facilities upgrades on other Gran Tierra Energy properties in the Noroeste Basin is continuing.

PERU

The Environmental Impact Assessment (EIA) approval for seismic and drilling operations has been approved for Block 128. Amendments to this approval are being reviewed. Approval for Block 122 is still pending. Gran Tierra Energy expects to begin acquiring approximately 480 kilometers of 2D seismic data in the second quarter of 2010 over 16 principal leads amongst the 24 leads identified on blocks 122 and 128. Stratigraphic test drilling on up to four prospects is expected to take place in the third and fourth quarter of 2010.

BRAZIL

Gran Tierra Energy continues to evaluate a variety of new venture exploration and development opportunities in both the onshore and offshore of Brazil.

Conference Call Information:

Gran Tierra Energy Inc. will host its first quarter 2010 results conference call on Wednesday, May 12, 2010 at 10:00 a.m. Eastern Standard Time (EST).

President and Chief Executive Officer Dana Coffield, Chief Financial Officer Martin Eden, and Chief Operating Officer Shane O'Leary will discuss Gran Tierra Energy's financial and operating results for the quarter and then take questions from securities analysts and institutional shareholders.

To pre-register for this conference call, please visit:

<https://www.theconferencingservice.com/prereg/key.process?key=PLBF9GRCA>

Interested parties may access the conference call by dialing 1-888-713-4214 (domestic) or 617-213-4866 (international), pass code 70246238. The call will also be available via web cast at www.grantierra.com, www.streetevents.com, or www.fulldisclosure.com. The web cast will be available on Gran Tierra Energy's website until the next earnings call.

If you are unable to participate, an audio replay of the call will be available beginning two hours after the call until 11:59 p.m. on May 19, 2010. To access the replay dial 888-286-8010 (domestic) or 617-801-6888 (international) pass code 29570075.

Please connect at least 15 minutes prior to the conference call to ensure adequate time for any software download that may be required to join the webcast.

About Gran Tierra Energy Inc.

Gran Tierra Energy Inc. is an international oil and gas exploration and production company, headquartered in Calgary, Canada, incorporated in the United States, trading on the NYSE Amex Exchange (GTE) and the Toronto Stock Exchange (GTE), and operating in South America. Gran Tierra Energy holds interests in producing and prospective properties in Argentina, Colombia and Peru, and has opened a business development office in Rio de Janeiro, Brazil. Gran Tierra Energy has a strategy that focuses on establishing a portfolio of producing properties, plus production enhancement and exploration opportunities to provide a base for future growth. Additional information concerning Gran Tierra Energy is available at www.grantierra.com. Investor inquiries may be directed to info@grantierra.com or (866) 973-4873.

Gran Tierra Energy's Securities and Exchange Commission filings are available on a web site maintained by the Securities and Exchange Commission at <http://www.sec.gov> and on SEDAR at <http://www.sedar.com>.

Forward Looking Statements:

This news release contains certain forward-looking information, forward-looking statements and forward-looking financial outlook (collectively, "forward-looking statements") under the meaning of applicable securities laws, including Canadian Securities Administrators' National Instrument 51-102 - *Continuous Disclosure Obligations* and the United States Private Securities Litigation Reform Act of 1995. The use of any of the words "expect", "anticipate", "continue", "estimate", "guidance", "objective", "may", "will", "should", "plans", "intends" and similar expressions are intended to identify forward-looking statements. In particular, but without limiting the foregoing, this news release contains forward-looking statements regarding: Gran Tierra Energy's planned operations, including as described under the caption Operations Update for each of the countries in which it operates, together with all other statements regarding expected or planned development, testing, drilling, production, expenditures or exploration, or that otherwise reflect expected future results or events.

The forward-looking statements contained in this news release are subject to risks, uncertainties and other factors that could cause actual results or outcomes to differ materially from those contemplated by the forward-looking statements, including, among others: Gran Tierra Energy's operations are located in South America, and unexpected problems can arise due to guerilla activity, technical difficulties and operational difficulties which impact its testing and drilling operations and the production, transport or sale of its products; geographic, political and weather conditions can impact testing and drilling operations and the production, transport or sale of its products; and the risk that current global economic and credit market conditions may impact oil prices and oil consumption more than Gran Tierra Energy currently predicts, which could cause Gran Tierra Energy to modify its exploration activities. Further information on potential factors that could affect Gran Tierra Energy are included in risks detailed from time to time in Gran Tierra Energy's Securities and Exchange Commission filings, including, without limitation, under the caption "Risk Factors" in Gran Tierra Energy's Quarterly Report on Form 10-Q filed May 10, 2010. These filings are available on a Web site maintained by the Securities and Exchange Commission at <http://www.sec.gov> and on SEDAR at www.sedar.com. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this press release are made as of the date of this press release and Gran Tierra Energy disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities legislation.

Contact Information

For media and investor inquiries please contact Jason Crumley, Director, Investor Relations at 403-265-3221 or info@grantierra.com.

Basis of Presentation of Financial Results:

Gran Tierra Energy's financial results are reported in United States dollars and prepared in accordance with generally accepted accounting principles in the United States.

Gran Tierra Energy Inc.**Condensed Consolidated Statements of Operations and Retained Earnings (Unaudited)**

(Thousands of U.S. Dollars, Except Share and Per Share Amounts)

	Three Months Ended March 31,	
	2010	2009
REVENUE AND OTHER INCOME		
Oil and natural gas sales	\$ 92,932	\$ 33,151
Interest	178	414
	93,110	33,565
EXPENSES		
Operating	10,185	7,086
Depletion, depreciation, accretion, and impairment	40,343	27,529
General and administrative	7,190	5,125
Derivative financial instruments gain	(44)	-
Foreign exchange loss (gain)	14,294	(20,222)
	71,968	19,518
INCOME BEFORE INCOME TAXES	21,142	14,047
Income tax (expense) recovery	(11,182)	85
NET INCOME AND COMPREHENSIVE INCOME	9,960	14,132
RETAINED EARNINGS, BEGINNING OF PERIOD	20,925	6,984
RETAINED EARNINGS, END OF PERIOD	\$ 30,885	\$ 21,116
NET INCOME PER SHARE — BASIC	\$ 0.04	\$ 0.06
NET INCOME PER SHARE — DILUTED	\$ 0.04	\$ 0.06
WEIGHTED AVERAGE SHARES OUTSTANDING - BASIC	248,818,662	238,907,060
WEIGHTED AVERAGE SHARES OUTSTANDING - DILUTED	256,863,106	248,914,219

Gran Tierra Energy Inc.**Condensed Consolidated Balance Sheets (Unaudited)**

(Thousands of U.S. Dollars, Except Share Amounts)

	March 31,	December 31,
	2010	2009
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 265,676	\$ 270,786
Restricted cash	240	1,630
Accounts receivable	87,024	35,639
Inventory	4,160	4,879
Taxes receivable	1,721	1,751

Prepays	2,489	1,820
Deferred tax assets	4,311	4,252
Total Current Assets	365,621	320,757
Oil and Gas Properties (using the full cost method of accounting)		
Proved	454,217	474,679
Unproved	234,400	234,889
Total Oil and Gas Properties	688,617	709,568
Other capital assets	4,039	3,175
Total Property, Plant and Equipment	692,656	712,743
Other Long Term Assets		
Restricted cash	840	162
Deferred tax assets	6,903	7,218
Other long term assets	315	347
Goodwill	102,581	102,581
Total Other Long Term Assets	110,639	110,308
Total Assets	\$ 1,168,916	\$ 1,143,808

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities

Accounts payable	\$ 22,149	\$ 36,786
Accrued liabilities	35,204	40,229
Derivative financial instruments	-	44
Taxes payable	40,804	28,087
Asset retirement obligation	450	450
Total Current Liabilities	98,607	105,596

Long Term Liabilities

Deferred tax liabilities	218,981	216,625
Deferred remittance tax	944	903
Asset retirement obligation	4,387	4,258
Total Long Term Liabilities	224,312	221,786
Commitments and Contingencies		
Shareholders' Equity		
Common shares	3,022	1,431
(232,937,045 and 219,459,361 common shares and 20,488,841 and 24,639,513 exchangeable shares, par value \$0.001 per share, issued and outstanding as at March 31, 2010 and December 31, 2009 respectively)		
Additional paid in capital	808,912	766,963
Warrants	3,178	27,107
Retained earnings	30,885	20,925
Total Shareholders' Equity	845,997	816,426
Total Liabilities and Shareholders' Equity	\$ 1,168,916	\$ 1,143,808

Gran Tierra Energy Inc.
Condensed Consolidated Statements of Cash Flows (Unaudited)
(Thousands of U.S. Dollars)

	Three Months Ended March 31,	
	2010	2009
Operating Activities		
Net income	\$ 9,960	\$ 14,132
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depletion, depreciation, accretion, and impairment	40,343	27,529
Deferred taxes	(10,054)	(3,982)
Stock based compensation	1,362	1,125
Unrealized (gain) loss on financial instruments	(44)	87
Unrealized foreign exchange loss (gain)	12,707	(18,298)
Settlement of asset retirement obligations	-	(52)
Net changes in non-cash working capital		
Accounts receivable	(46,208)	(25,260)
Inventory	97	(57)
Prepays	(669)	(460)
Accounts payable and accrued liabilities	(17,796)	(3,176)
Taxes receivable and payable	12,747	774
Net cash provided by (used in) operating activities	<u>2,445</u>	<u>(7,638)</u>
Investing Activities		
Restricted cash	712	-
Additions to property, plant and equipment	(27,072)	(21,627)
Proceeds from disposition of oil and gas property	600	-
Long term assets and liabilities	32	(299)
Net cash used in investing activities	<u>(25,728)</u>	<u>(21,926)</u>
Financing Activities		
Proceeds from issuance of common shares	18,173	520
Net cash provided by financing activities	<u>18,173</u>	<u>520</u>

Net decrease in cash and cash equivalents	(5,110)	(29,044)
Cash and cash equivalents, beginning of period	270,786	176,754
Cash and cash equivalents, end of period	<u>\$ 265,676</u>	<u>\$ 147,710</u>
Cash	\$ 101,580	\$ 22,877
Term deposits	164,096	124,833
Cash and cash equivalents, end of period	<u>\$ 265,676</u>	<u>\$ 147,710</u>
Supplemental cash flow disclosures:		
Cash paid for taxes	\$ 10,147	\$ 1,540
Non-cash investing activities:		
Non-cash working capital related to property, plant and equipment	<u>\$ 10,328</u>	<u>\$ 8,413</u>