Gran Tierra Energy Inc. Announces First Quarter 2011 Results

Quarter highlighted by additional reserve potential at the Moqueta field and successful closing of Petrolifera Acquisition

CALGARY, Alberta, May 9, 2011, Gran Tierra Energy Inc. ("Gran Tierra Energy") (NYSE Amex: GTE, TSX: GTE), a company focused on oil and gas exploration and production in South America, today announced financial and operating results for the quarter ended March 31, 2011. All dollar amounts are in United States dollars unless otherwise indicated.

Highlights for the quarter include:

- Quarterly oil production of 14,372 barrels of oil per day ("**BOPD**") net after royalty ("**NAR**"), a 4% decrease in average daily production from the same period in 2010 of 14,908 BOPD NAR due to Tumaco Port maintenance downtime;
- Quarterly gas production of 1.048 million cubic feet per day ("**MMCFD**") NAR, a 319% increase in average daily production from the same period in 2010 of 0.250 MMCFD NAR;
- Revenue and other income for the quarter of $122.5 million, a 32% increase over the same period in 2010;
- Net income of $13.7 million or $0.05 per share basic and diluted, compared to net income of $10.0 million or $0.04 per share basic and diluted in the same period in 2010;
- Funds flow from operations of $66.6 million compared to $54.3 million for the same period in 2010;
- Cash and cash equivalents were $253.9 million at March 31, 2011 compared to $355.4 million at December 31, 2010 largely due to capital spending and timing differences relating to when Ecopetrol settles their accounts receivables;
- Working capital decreased to $224.6 million at March 31, 2011 compared to $265.8 million at December 31, 2010. Gran Tierra Energy assumed $31.3 million of debt following the closing of the Petrolifera Petroleum Ltd. ("**Petrolifera**") acquisition;
- Announced and subsequently closed the acquisition of Petrolifera on March 18, 2011;
- Successfully drilled and tested Moqueta-4 delineation well in the Moqueta oil discovery in Colombia. Subsequent to the end of the quarter, successfully drilled the Moqueta-5 delineation well, which further increases the reserve potential of the field;
- Continued construction of the Moqueta to Costayaco flow-line with first long-term test production expected in late May 2011;
- Plugged and abandoned the Taruka-1, Canangucho-1 and, subsequent to end of the quarter, San Angel-1 exploration wells in Colombia along with the Kanatari-1 exploration well in Peru;
- Successfully farmed out a 50% working interest in the Santa Victoria Block in the Noroeste Basin of Argentina to Apache Corporation ("**Apache**");
- Qualified as a Class B Operator from Brazil's Agencia Nacional de Petroleo Gas Natural e Biocombustiveis ("**ANP**") allowing Gran Tierra Energy to act as an Operator in both the onshore and shallow water (<400 meters water depth) offshore of Brazil; and
- Matured plans for robust exploration, delineation and development drilling campaigns in Colombia, Brazil, Peru and Argentina through 2011 and into 2012.

"Gran Tierra Energy continues to expand its exploration and development portfolio through the successful completion of the Petrolifera acquisition in March. This acquisition added production enhancement opportunity in Argentina, reserve development opportunity in Colombia, and exploration opportunity in Colombia and Peru. In parallel with the integration of the newly acquired assets, Gran Tierra Energy is continuing appraisal of the Moqueta oil field in Colombia in preparation for long-term testing expected to start in May for the new reserves that continue to grow with each new delineation well," said Dana Coffield, President and Chief Executive Officer of Gran Tierra Energy. "Our opportunities in Peru have significantly expanded from the same time last year as we continue to mature our portfolio in anticipation of drilling in 2012. Finally, our development and exploration drilling campaign in Brazil remains on track, with plans to initiate Gran Tierra Energy's drilling program late in the second quarter of 2011," concluded Coffield.

Production Review

(Barrels of Oil Equivalent)	Three Months Ended March 31, 2011 Colombia	Argentina	Total	Three Months Ended March 31, 2010 Colombia	Argentina	Total
Gross Production	1,717,696	109,942	1,827,638	1,713,436	86,445	1,799,881
Royalties	(483,212)	(12,777)	(495,989)	(465,131)	(10,097)	(475,228)
Inventory Adjustment	(21,659)	(817)	(22,476)	21,017	(235)	20,782
Production Net After Royalties (NAR)	1,212,825	96,348	1,309,173	1,269,322	76,113	1,345,435
Barrels of Oil Equivalent Per Day (BOEPD) (NAR)	13,476	1,070	14,546	14,103	846	14,949

Financial Review

	Three Months Ended March 31, 2011	2010	% Change
(Thousands of U.S. Dollars)			
Revenue and Interest	$ 122,519	$ 93,110	32
Net income	$ 13,713	$ 9,960	38
(US Dollars per Share)			
Net Income Per Share - Basic	$ 0.05	$ 0.04	25
Net Income Per Share - Diluted	$ 0.05	$ 0.04	25

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

Funds flow From Operations - Non-GAAP Measure	Three Months Ended March 31, 2011	2010
(Thousands of U.S. Dollars)		
Net income	$ 13,713	$ 9,960
Adjustments to reconcile net income to funds flow from operations		
Depletion, depreciation, accretion and impairment	63,357	40,343
Deferred taxes	(187)	(10,054)
Stock-based compensation	3,453	1,362
Unrealized gain on financial instruments	(62)	(44)
Unrealized foreign exchange loss	4,458	12,707
Settlement of asset retirement obligations	(4)	-
Equity taxes payable long-term	6,132	-
Gain on acquisition	(24,300)	-
Funds flows from operations	$ 66,560	$ 54,274

(1) Funds flow from operations is a non-GAAP measure which does not have any standardized meaning prescribed under 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 (loss), 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 therefore, it may not be comparable to similar measures used by other companies or appropriate for other purposes. 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, unrealized foreign exchange losses (gains), settlement of asset retirement obligations, equity taxes payable long-term and gain on acquisition.

First Quarter 2011 Financial Highlights:

Revenue and interest increased 32% to $122.5 million for the three months ended March 31, 2011 compared to $93.1 million in the same quarter in 2010 due to an increase of 36% in realized crude oil prices.

Operating expenses for the first quarter of 2011 amounted to $16.4 million, a 61% increase from $10.2 million in the same period in 2010 due mainly to higher workover costs, fuel and power costs, water injection costs, and trucking costs due to port maintenance in Colombia. For the three months ended March 31, 2011, operating expenses on a barrel of oil equivalent ("**BOE**") basis increased by 65% to $12.52 from $7.57.

Depletion, depreciation, accretion and impairment expense ("**DD&A**") for the current quarter increased to $63.4 million compared to $40.3 million for the same quarter in 2010 due to a $31.9 million ceiling test impairment in the Peru cost center. On a BOE basis, DD&A has increased 61% to $48.39 for the first quarter of 2011 compared to $29.99 in the same period in 2010.

General and administrative expense ("**G&A**") of $13.6 million increased 90% from $7.2 million in the same period in 2010 primarily due to increased employee related costs reflecting expanded operations and the acquisition of Petrolifera. G&A expenses per BOE increased 95% to $10.42 for the current quarter, compared to $5.34 for the first quarter of 2010.

Equity tax for the current quarter of $8.1 million represents a Colombian tax of 6.2% on the balance sheet equity recorded in our Colombia branches at January 1, 2011. The equity tax is assessed every four years. The tax for the four-year period from 2011 to 2014 is payable in eight semi-annual installments over the four-year period but is expensed in the first quarter of 2011 at the commencement of the four-year period. Accordingly, the equity tax expense for the previous four-year period was recorded prior to 2010 and no expense is recorded in the first quarter of 2010.

A foreign exchange loss of $5.2 million was recorded in the first quarter of 2011, of which $4.5 million is an unrealized non-cash foreign exchange loss. This compares to the $14.3 million foreign exchange loss recorded in the same quarter of 2010, of which $12.7 million was an unrealized non-cash foreign exchange loss. The unrealized foreign exchange losses arose primarily as a result of the translation of a deferred tax liability. The deferred tax liability is denominated in Colombian pesos and the decline in the U.S. dollar against the Colombian peso of 2% in the current quarter and 6% for the three months ended March 31, 2010 resulted in the foreign exchange losses.

The results for the first quarter of 2011 include a non-cash gain of $24.3 million recognized on the acquisition of Petrolifera.

Net income of $13.7 million or $0.05 per share basic and diluted was recorded for the first quarter of 2011, compared to net income of $10.0 million, or $0.04 per share basic and diluted, for the same period in 2010.

Balance Sheet Highlights:

The company reported cash and cash equivalents of $253.9 million at March 31, 2011 as compared to $355.4 million at December 31, 2010. The decline in cash is due to capital spending and timing differences relating to when Ecopetrol settles their accounts receivables. Working capital decreased to $224.6 million at March 31, 2011, as compared to $265.8 million at December 31, 2010 due to the assumption of $31.3 million of debt following the closing of the Petrolifera acquisition. Shareholders' equity increased to $1,047.8 million at March 31, 2011 from $886.9 million at December 31, 2010, and the company had $31.3 million short-term bank debt as of March 31, 2011 related to the reserve-backed credit facility held by Petrolifera. Gran Tierra Energy intends to pay off this debt after the Argentine restriction preventing its repayment expires in August 2011.

Production Highlights:

Average daily consolidated light and medium crude oil and natural gas production for the three months ended March 31, 2011 decreased 3% to 14,546 BOEPD NAR compared to 14,949 BOEPD NAR for the same period in 2010. First quarter production was impacted by the previously announced maintenance at the Tumaco Port crude offloading terminal in the Pacific Coast city of Tumaco. The port was offline from December 28, 2010 to February 7, 2011, during which time Gran Tierra Energy was able to sell a portion of its crude oil production through trucking and other pipeline options.

Average daily Colombian production of light and medium crude oil and natural gas for the three months ended March 31, 2011 decreased 4% to 13,476 BOEPD NAR compared to 14,103 BOEPD NAR for the same period in 2010. The production is primarily from the Costayaco field in the Chaza Block in Colombia where Gran Tierra Energy has a 100% working interest.

Average daily Argentine production of light and medium crude oil and natural gas for the quarter ended March 31, 2011 increased 27% to 1,070 BOEPD NAR compared to 846 BOEPD NAR for the same period in 2010 due to the inclusion of Petrolifera production beginning March 19, 2011.

Average daily consolidated production in April, 2011 averaged approximately 17,500 BOEPD NAR. This included approximately 14,700 BOPD NAR of crude oil in Colombia, approximately 2,300 BOPD NAR of crude oil in Argentina, and approximately 3.0 MMCFD NAR of natural gas (or approximately 500 BOEPD NAR).

Capital Program and Operations Update

Gran Tierra Energy successfully completed the acquisition of Petrolifera Petroleum Ltd. in the first quarter of 2011. The acquisition was approved at a meeting of Petrolifera shareholders on March 17, 2011 and by the Court of Queen's Bench of Alberta on March 18, 2011 with over 99% of the votes cast voting in favor of the acquisition.

Gran Tierra Energy's 2011 capital program outlook for 2011 marginally increased to $357 million, from $355 million. This includes $196 million for Colombia, $49 million for Peru, $50 million for Argentina, and $62 million for Brazil. Of this, $190 million is for drilling, $79 million for infrastructure, $87 million for seismic acquisition and $1 million for other activities. Of the $190 million in drilling, approximately $87 million is for exploration and the balance is for delineation and development drilling.

As a result of the Petrolifera acquisition and revised work programs, Gran Tierra Energy previously increased its production projections to 17,500 BOEPD – 19,000 BOEPD for 2011.

COLOMBIA

Upcoming Exploration Wells

Environmental permitting for the Rumiyaco-1 oil exploration well in the Rumiyaco Block of the Putumayo Basin has been approved. Civil construction work is expected to begin in May, 2011 and the well is expected to start drilling in the third quarter of 2011.

The Turpial-1 exploration well in the Middle Magdelena Basin is expected to begin drilling in the third quarter of 2011 targeting a heavy oil prospect on the Turpial Block.

The Melero-1 exploration well on the Garibay block of the Llanos basin is expected to start drilling in the second quarter of 2011.

La Vega Este-1 oil exploration well in the Azar Block is on schedule to be drilled in the fourth quarter of 2011.

A new oil exploration well to test the Pacayaco prospect, is also expected to be drilled in the third quarter of 2011.

The Brillante SE-2x well is expected to be drilled in the third quarter of 2011.

Two stratigraphic test wells, one in Putumayo 10 Block and one in Piedemonte Norte Block, will not be drilled due to lack of appropriate slimhole drilling rigs. These targets will be considered for drilling in 2012 with conventional drilling rigs.

Moqueta Field, Chaza Block

The Moqueta-4 delineation well was drilled and tested at 1,674 BOPD from the Caballos and T-Sandstone without the assistance of pumps. The Moqueta-5 deviated delineation well began drilling on April 6, 2011 from the same well pad as the Moqueta-4 delineation well and reached total measured depth of 5,309 feet in Basement on April 27. Based on mud logs, electric logs and RFT (Repeat Formation Tester) pressure data, the Caballos, T Sandstone and U Sandstone reservoirs appear to be saturated with oil with a total interpreted net pay of 167 feet. No water is evident on the logs. The reservoirs were penetrated approximately 50 feet deeper than in Moqueta-4, increasing the reserve potential of the field. The lack of evidence of water in any reservoirs encountered to date indicates additional oil reserves may be found further down dip with additional delineation drilling.

Moqueta-6, expected to spud in third quarter of 2011, will be drilled as a deviated well from the Moqueta-4 surface location in order to further investigate the down dip limits of the oil columns encountered in the Villeta U, Villeta T and Caballos formation reservoirs. Subject to further drilling engineering work, the bottom hole location is approximately 550 meters west of Moqueta-4 and the reservoirs are expected approximately 175 feet structurally lower than in Moqueta-5.

Planning is underway for Moqueta-7, expected to be drilled in the first quarter of 2012 at a new surface location approximately 1,750 meters west of Moqueta-4. This location will allow additional appraisal of the down dip extent of the field. Moqueta-7 could be used as an oil producer or water injector depending on the well results.

New 3D seismic acquisition is expected to start in the second quarter to assist in refining the mapping of the Moqueta field and planning further delineation and development drilling. First long-term test production from a new 6-inch, 8 kilometer flow-line linking Moqueta to Costayaco is expected to take place late May, 2011. Construction of the line is approximately 85% complete. Once initiated, average production from the Moqueta field is expected to be modest, at approximately 500 BOPD. Production is expected to begin ramping up in 2012 to levels that will be determined once reservoir performance data has been acquired, the full aerial extent of the field has been determined, and the final development concept decided.

Brillante Field, Sierra Nevada Block, Lower Magdalena Basin

Development of the Brillante gas field is advancing, with first gas sales expected to be initiated in the second quarter at approximately 2 to 3 MMCFD. A new 275 square kilometer 3D seismic program is expected to be acquired in the second quarter of 2011, of which 222 square kilometers will be in the Sierra Nevada License and 53 kilometers will be in the Magdalena license. The Brillante SE-2x well is expected to be drilled in the third quarter to evaluate the significant potential gas resource discovered by Brillante SE-1x.

Costayaco Field, Chaza Block, Putumayo Basin

The Costyaco-12 and -13 development wells concluded drilling in February 2011. These were drilled as infill production wells to drain the northern and southern portions of the Costayaco field and will be converted to water injectors once depleted to assist in maintaining reservoir pressure.

Magdalena Block, Lower Magdalena Basin

The San Angel-1 well encountered gas shows over two intervals totaling 415 feet (gross), but wireline logs and RFT data was not conclusive in quantifying reservoir quality or gas saturation. Recently completed testing operations produced water and non-commercial amounts of gas. As a result, the well was plugged and abandoned.

Piedemonte Sur Block, Putumayo Basin

The Taruka-1 exploration well reached total depth on February 7, 2011. The target reservoirs were encountered, but with only poor oil shows. As a result, the well was plugged and abandoned.

Chaza Block, Putumayo Basin

The Canangucho-1 exploration well reached total depth on March 23, 2011. After the evaluation of wireline logs, it was determined that the T Sandstone and Caballos formations were water bearing. As a result, the Canangucho well was plugged and abandoned.

BRAZIL

In August 2010, Gran Tierra Energy established an initial exploration and production position in Brazil, subject to approval by Agência Nacional de Petróleo Gás Natural e Biocombustíveis ("**ANP**"), whereby Gran Tierra Energy will receive a 70% working interest in four blocks in the onshore Recôncavo Basin. In April 2011, Gran Tierra Energy received final approvals for Blocks -129, -142 and -224 and expects regulatory approval for Block 155 shortly. Gran Tierra Energy will then assume its working interest share of a light oil discovery which has an unaudited estimated gross recoverable resource of 6 million barrels of oil. Gran Tierra Energy anticipates drilling two development wells in the second half of 2011 to grow production from this discovery, which is currently producing 500 BOPD gross from one zone without the assistance of pumps.

Two exploration wells are planned to be drilled on this acreage in 2011, with drilling rigs currently being tendered and locations currently being permitted. Additional drilling is scheduled to continue into 2012. The first exploration well is expected to start drilling on Block 142 at the end of third quarter 2011.

PERU

Block 95, Marañon Basin

A drilling site location has been identified for the first exploration well on Block 95, with civil construction expected to begin in the third quarter of 2011. Drilling is expected to begin in second quarter of 2012. An oil field has already been discovered on Block 95, with the discovery well drilled in 1974 flowing 807 BOPD naturally without pumps. The new exploration well will further delineate this field and will explore deeper reservoir horizons not penetrated by the discovery well.

Block 107, Marañon Basin

Permitting for drilling on Block 107 is advancing, with drilling expected to begin in the second half of 2012. The prospects on Block 107 are on trend with the world class gas-condensate discoveries that have been made around the Camisea region in southern Peru. Both oil and gas seeps are present on Block 107.

Block 128, Marañon Basin

Gran Tierra Energy previously announced the Kanatari-1 exploration well reached total depth on March 3, 2011. No oil or gas shows were noted during drilling and interpretations from wireline logs indicate the reservoirs are water bearing. As a result, Kanatari-1 was plugged and abandoned; however, evaluation of the prospectivity of the block continues.

Block 122, Marañon Basin

The prospectivity of Block 122 is under review as a result of the Kanatari-1 drilling result on the adjacent Block 128. No well will be drilled on the block in 2011 as currently permitted drilling locations are not prospective.

Blocks 123, 124 and 129, Marañon Basin

In September 2010, Gran Tierra Energy acquired a 20% non-operated working interest in ConocoPhillips operated Blocks 123, 124 and 129, subject to government approval. The approval for these blocks was granted on March 19, 2011 with final assignment completed April 26, 2011. Gran Tierra Energy is evaluating the prospectivity of these blocks based on recently acquired 2-D seismic data.

ARGENTINA

Santa Victoria Block, Noroeste Basin

Gran Tierra Energy announced it has successfully farmed out a 50% interest in its Santa Victoria block in the Noroeste Basin of northwestern Argentina to Apache. The joint venture, with Gran Tierra Energy as operator, is interested in testing the gas potential of the acreage, with gas-condensate reserves and production proven in the region.

Puesto Morales / Puesto Morales Este Blocks, Neuquen Basin

Gran Tierra Energy has initiated its workover program on 16 wells, and is planning on drilling 6 development wells with the intention of improving recovery in the remaining reserves, minimizing water channeling through the use of polymer, and subsequently growing production. Since taking over operations in March, production declines of the last several years have been halted and oil production has now been stabilized at approximately 1,600 BOPD NAR and gas production has stabilized at 2.7 MMSCFD NAR.

Valle Morado Field, Valle Morado Block

The sidetrack drilling operation on the Valle Morado GTE.St.VMor-2001 well was suspended in February 2011 and the well is being abandoned due to the poor condition of the casing in the discovery well. Gran Tierra Energy is evaluating options to drill a new vertical well in the gas field in 2012.

Other Matters

In accordance with Gran Tierra Energy's Hydrocarbon Exploration and Exploitation Agreement with Agencia Nacional de Hidrocarburos (National Hydrocarbons Agency) ("ANH") for the Chaza Block in Colombia ("Chaza Contract"), the company's crude oil production from each Exploitation Area on the Block is subject to the payment of additional compensation to the ANH ("Additional Compensation ") over and above the basic sliding scale royalty that applies when cumulative gross production from an Exploitation Area exceeds 5 million barrels. As previously disclosed, production from the Costayaco Exploitation Area on the Chaza Block became subject to the Additional Compensation in the fourth quarter of 2009 after cumulative production from the Costayaco field exceeded 5 million barrels.

The ANH has requested that the Additional Compensation be paid with respect to production from the recently drilled wells relating to the Moqueta discovery and has initiated a non-compliance procedure under the Chaza Contract. The Moqueta discovery is not located in the Costayaco Exploitation Area. Further, Gran Tierra Energy views the Costayaco field and the Moqueta discovery as two clearly separate and independent hydrocarbon accumulations. Therefore, it is Gran Tierra Energy's view that it is clear that pursuant to the Chaza Contract the Additional Compensation payments are only to be paid with respect to production from the Moqueta wells when the accumulated crude oil production from any new Exploitation Area created with respect to the Moqueta discovery exceeds 5 million barrels. At the end of the first quarter of 2011 cumulative production from the Moqueta field consists of a small amount of test production only.

Gran Tierra will be responding to the ANH in accordance with the provisions of the Chaza Contract and will attempt to cooperatively resolve this issue with the ANH.

Conference Call Information:

Gran Tierra Energy Inc. will host its first quarter 2011 results conference call on Tuesday, May 10, 2011 at 8:00 a.m. Mountain Time (MT).

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.

Interested parties may access the conference call by dialing 1-866-804-6924 (domestic) or +1-857-350-1670 (international), pass code 85016866. 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.

For interested parties 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 24, 2011. To access the replay dial 1-888-286-8010 (domestic) or 617-801-6888 (international) pass code 58763898.

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 Peru, and 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 (403) 265-3221.

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 the words "expect", "project", "plan", "outlook", "anticipate", "schedule", "intend", "will", "target" 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: the reserves potential of the Moqueta oil field; drilling, testing and production expectations; Gran Tierra Energy's planned capital program and the allocation of capital; production guidance; Gran Tierra Energy's planned operations, including as described under the captions "Colombia", "Peru", "Brazil" and "Argentina", Gran Tierra Energy's proposed negotiations with ANH, 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 reflect several material factors and expectations and assumptions of Gran Tierra Energy including, without limitation, assumptions relating to log evaluations, that Gran Tierra Energy will continue to conduct its operations in a manner consistent with past operations, the accuracy of testing and production results and seismic data, the effects of drilling down-dip and the general continuance of current or, where applicable, assumed operational, regulatory and industry conditions. Gran Tierra Energy believes the material factors, expectations and assumptions reflected in the forward-looking statements are reasonable at this time but no assurance can be given that these factors, expectations and assumptions will prove to be correct.

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 may impact its testing and drilling operations, the integration of the assets acquired in the acquisition of Petrolifera and the production, transport or sale of its products; geographic, political, regulatory and weather conditions can impact testing and drilling operations and the production, transport or sale of its products; 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, drilling and/or construction activities and the risk that Gran Tierra Energy will not successfully negotiate a resolution with ANH, which could have a material adverse effect on the financial results of Gran Tierra Energy. Although the current capital spending program of Gran Tierra Energy is based upon the current expectations of the management of Gran Tierra Energy, there may be circumstances where, for unforeseen reasons, a reallocation of funds may be necessary as may be determined at the discretion of Gran Tierra Energy and there can be no assurance as at the date of this press release as to how those funds may be reallocated. Should any one of a number of issues arise, Gran Tierra Energy may find it necessary to alter its current business strategy and/or capital spending program. Accordingly, readers should not place undue reliance on the forward-looking statements contained herein. 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 Annual Report on Form 10-K filed February 25, 2011. 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.

BOE's may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf : 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Contact Information

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

	Three Months Ended March 31, 2011	Three Months Ended March 31, 2010
REVENUE AND OTHER INCOME		
Oil and natural gas sales	**$ 122,296**	$ 92,932
Interest	**223**	178
	122,519	93,110
EXPENSES		
Operating	**16,396**	10,185
Depletion, depreciation, accretion, and impairment	**63,357**	40,343
General and administrative	**13,638**	7,190
Equity tax	**8,050**	-
Financial instruments gain	**(230)**	(44)
Gain on acquisition	**(24,300)**	-
Foreign exchange loss	**5,199**	14,294
	82,110	71,968
INCOME BEFORE INCOME TAXES	**40,409**	21,142
Income tax expense	**(26,696)**	(11,182)
NET INCOME AND COMPREHENSIVE INCOME	**13,713**	9,960
RETAINED EARNINGS, BEGINNING OF PERIOD	**58,097**	20,925
RETAINED EARNINGS, END OF PERIOD	**$ 71,810**	$ 30,885
NET INCOME PER SHARE — BASIC	**$ 0.05**	$ 0.04
NET INCOME PER SHARE — DILUTED	**$ 0.05**	$ 0.04
WEIGHTED AVERAGE SHARES OUTSTANDING - BASIC	***260,930,753***	*248,818,662*
WEIGHTED AVERAGE SHARES OUTSTANDING - DILUTED	***267,819,300***	*256,863,106*

Gran Tierra Energy Inc.
Condensed Consolidated Balance Sheets (Unaudited)
(Thousands of U.S. Dollars, Except Share and Per Share Amounts)

	March 31, 2011	December 31, 2010
ASSETS		
Current Assets		
Cash and cash equivalents	$ 253,901	$ 355,428
Restricted cash	7,950	250
Accounts receivable	137,059	43,035
Inventory	6,448	5,669
Taxes receivable	16,660	6,974
Prepaids	3,107	1,940
Deferred tax assets	2,112	4,852
Total Current Assets	427,237	418,148
Oil and Gas Properties (using the full cost method of accounting)		
Proved	544,828	442,404
Unproved	402,070	278,753
Total Oil and Gas Properties	946,898	721,157
Other capital assets	6,352	5,867
Total Property, Plant and Equipment	953,250	727,024
Other Long Term Assets		
Restricted cash	2,335	1,190
Deferred tax assets	2,497	-
Other long term assets	308	311
Goodwill	102,581	102,581
Total Other Long Term Assets	107,721	104,082
Total Assets	$	$

	1,488,208	1,249,254
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	**$ 42,689**	$ 76,023
Accrued liabilities	**60,808**	32,120
Bank debt	**31,250**	-
Taxes payable	**66,300**	43,832
Replacement warrants	**1,292**	-
Asset retirement obligations	**334**	338
Total Current Liabilities	**202,673**	152,313
Long Term Liabilities		
Deferred tax liabilities	**216,697**	204,570
Deferred remittance tax and other	**1,064**	1,036
Equity tax payable	**10,174**	-
Asset retirement obligations	**9,767**	4,469
Total Long Term Liabilities	**237,702**	210,075
Commitments and Contingencies		
Shareholders' Equity		
Common shares	**5,848**	4,797
(260,053,351 and 240,440,830 common shares and 16,959,181 and 17,681,123 exchangeable shares, par value $0.001 per share, issued and outstanding as at March 31, 2011 and December 31, 2010 respectively)		
Additional paid in capital	**968,101**	821,781
Warrants	**2,074**	2,191
Retained earnings	**71,810**	58,097
Total Shareholders' Equity	**1,047,833**	886,866
Total Liabilities and Shareholders' Equity	**$ 1,488,208**	**$** 1,249,254

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

	Three Months Ended March 31,	
	2011	**2010**
Operating Activities		
Net income	**$ 13,713**	$ 9,960
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depletion, depreciation, accretion, and impairment	**63,357**	40,343
Deferred taxes	**(187)**	(10,054)
Stock based compensation	**3,453**	1,362
Unrealized gain on financial instruments	**(62)**	(44)
Unrealized foreign exchange loss	**4,458**	12,707
Settlement of asset retirement obligations	**(4)**	-
Equity taxes payable long-term	**6,132**	-
Gain on acquisition	**(24,300)**	-
Net changes in non-cash working capital		
Accounts receivable	**(83,036)**	(46,208)
Inventory	**736**	97
Prepaids	**(831)**	(669)
Accounts payable and accrued liabilities	**(22,756)**	(17,796)
Taxes receivable and payable	**8,101**	12,747
Net cash (used in) provided by operating activities	**(31,226)**	2,445
Investing Activities		
Restricted cash	**(5,600)**	712
Additions to property, plant and equipment	**(74,266)**	(27,072)
Proceeds from disposition of oil and gas property	**-**	600
Cash acquired on acquisition	**7,747**	-
Proceeds on sale of asset backed commercial paper	**22,679**	-
Long term assets and liabilities	**3**	32
Net cash used in investing activities	**(49,437)**	(25,728)
Financing Activities		
Settlement of bank debt	**(22,853)**	-
Proceeds from issuance of common shares	**1,989**	18,173

Net cash (used in) provided by financing activities	**(20,864)**	18,173
Net decrease in cash and cash equivalents	**(101,527)**	(5,110)
Cash and cash equivalents, beginning of period	**355,428**	270,786
Cash and cash equivalents, end of period	**$ 253,901**	$ 265,676