



PRESS RELEASE

TSX: PBC

For immediate release

PEBERCAN ANNOUNCES ITS 2008 RESULTS

Montreal, Quebec, March 26, 2009 - PEBERCAN INC. (the “Company” or “Pebercan”) (TSX: PBC) herein presents its results for the period ended December 31, 2008. All of the amounts referred to in this press release are in U.S. dollars. These results take into account the Company’s plans to cease its business activities, and are thus not based on ongoing operations.

On January 14, 2009, Peberco Limited (“Peberco”) signed an agreement with Cubapetroleo SA (“Cupet”) relating to the premature termination of the oil production-sharing agreement and the assignment of accounts receivable (the “Agreement”). Under the Agreement, Peberco accepted the termination of the original agreement entered into on August 21, 1993 and Peberco’s rights reverted to Cupet in exchange for the latter paying Peberco a net lump-sum amount of \$140 million, which corresponds to 100% of Peberco’s rights to Block 7.

On February 9, subsequent to the signing of the Agreement between Peberco and Cupet and the receipt of the lump-sum amount of \$140 million, Peberco signed a settlement agreement with its co-partner, Sherritt International (Cuba) Oil and Gas Limited (“Sherritt”), to determine the allocations and payments required to terminate the Joint Operating Agreement. Under this agreement, Sherritt received the amount of \$60.6 million.

On February 20, 2009, Pebercan announced its intention to end its normal course of business. Its remaining assets, originating from amounts paid to Peberco by Cuban authorities, will be distributed to the Company’s shareholders. The Board of Directors, having set aside the necessary reserves to enable Pebercan to meet all of its obligations, will evaluate a number of alternatives for distributing the amounts to which Pebercan shareholders will be entitled.

Highlights:

2008 highlights (compared with 2007):

- **Sales^[i]: - 2.1% to \$116.41 million**
- **Net earnings^[ii]: loss of \$116.8 million**
- **Average selling price per barrel of \$56.54 versus \$42.61 in 2007**
- **Internal funds: -14.8% to \$77.7 million^[iii]**
- **Wells in production at the end of fiscal 2008: 43**
- **Total Block 7 production: 6,938 Mbbl, namely 4% less than in 2007^[iv]**
- **Total recognized Block 7 production: 6,392 Mbbl**

Earnings

For the fiscal year ended December 31, 2008, Pebercan had total earnings of \$116.4 million, compared with \$118.9 million in 2007. Note, however, that December earnings were not recognized in 2008 earnings, given the certainty that these would not be recovered. This explains the 2.1% drop in earnings compared with 2007, and this in spite of the increase in the average price of oil.

^[i] This sales figure does not take into account results for December 2008.

^[ii] This figure takes into account depreciation of assets to \$118.4 million.

^[iii] Result of the loss observed at the end of the fiscal year.

^[iv] Does not take into account 546 production not billed in December.

In 2008, the average sale price for the year was \$56.54/barrel, compared with \$42.61/barrel in 2007. This represents a variation of 32.7%, which can be explained by the variation observed in the reference price used, i.e. Fuel Oil Gulf Coast #6.

Hence, the total recognized production for Block 7 was 6,392 Mbbl, representing a variation of -11.4% compared with 2007. As in the case of earnings, this decrease is explained by the fact that December earnings were not recognized.

Had this not been the case, total Block 7 production was 6,938,426, representing a drop of 3.9%.

During the 2008 fiscal year, management reviewed its estimates with regard to the accounts receivable payment schedule, and this so as to take into account late payments. The capitalization of accounts receivable resulted in a drop in value of \$8.6 million. The Company reported a bad debt of \$67.2 million in its accounts receivable. The accounts receivable balance as at December 31, 2008, i.e. \$79.4 million, represents the Company's proportionate share of the net lump-sum amount to be received by Cupet.

Production costs were \$6.76/barrel in 2008, compared with \$6.56 in 2007. Production costs consist of the fixed and variable costs related to the maintenance of wells and surface installations. Production costs dropped 24.0% compared with 2007. It should be noted that because of late payments by Cupet, all of the Company's expenditures were significantly decreased during the year, to maintain a certain cash flow level.

In fact, during this same period, the Company's general expenses dropped by 15%.

As at December 31, 2008, the Company conducted a ceiling test of overall costs, to evaluate the fair value of its oil and gas assets. Anticipated future cash flows from the use of these assets being nil, the Company devalued its total assets and recognized a loss in value of \$118.4 million.

These assumptions rest on two important factors: First, as at December 31, 2008, the commercial sale agreement with Cupet had expired and not been renewed. Also, on January 14, 2009, Peberco and Cupet signed an agreement for the termination of rights on interests in oil production and the assignment of accounts receivable. This resulted in Peberco's rights reverting to Cupet.

Moreover, under the terms of the production-sharing agreement signed with Cupet, Peberco could deduct, for fiscal purposes, amortization on its oil assets equal to its earnings from the recovery of oil rights. The accrued capital cost allowance has been much higher than the depletion amount for accounting purposes. In order to take this factor into account, Peberco recognized a liability as to future income taxes. As at December 31, 2008, subsequent to the signing of the agreement with Cupet and given the Cuban authorities' attestation that Peberco had no tax obligations to Cuba whatsoever, this provision was no longer justified. Peberco thus reversed this provision, which represented an amount of \$35.4 million in its financial statements.

Given the depreciation of oil and gas assets, the provision on accounts receivable related to oil production, the reviewed estimates of obligations with regard to the retirement of oil and gas properties, and the write-off of the provision for future income taxes, Peberco reported a net loss of \$116,772,000 (-\$1.56 per basic share) in 2008, compared with net earnings of \$41,279,000 in 2007 (\$0.55 per basic share).

Reserves

As at December 31, 2008, the company BEICIP-FRANLAB evaluated the Company's remaining reserves. The report prepared is available on the Company's Web site and on the SEDAR Web site, www.sedar.com.

Company management does not consider it necessary to comment the results of this report, given the fact that it ceased its oil and gas activities in Cuba in February 2009.

Additional information on the reserves is included on the Company's Annual Information Form, which will be published on the Web site www.sedar.com as well as on the Company's Web site, www.pebercan.com.

Oil Production

Block 7's total billable production (100%) went from 7.21 million barrels in 2007 to 6.39 million barrels in 2008 (6.94 million if December 2008 production is included). This represents an average of 17,513 barrels a day.

This drop is basically attributable to the fact that December 2008 earnings, as explained previously, are not recognized.

Net production, billed and recognized: 2,058,973 barrels, hence 5,641 barrels/day

Corresponds to the Company's percentage of production, based on its share of the fields exploited and taking into consideration the stipulations of the production-sharing agreement with regard to cost oil and profit oil (before taxes) in Cuba.

As indicated previously, there is a difference between production billed and recognized at the end of December 2008 and total production. The Company's share of the barrels produced in the fields amounts to: **2,306,977 barrels, hence 6,320 barrels/day.**

Financial Highlights:

Pebercan Inc. consolidated financial statements <i>In thousands (except data by share and number of wells)</i>	December 31	
	2008	2007
Gross oil sales (\$)	116,413	118,935
Net earnings (\$)	-116,772	41,279
Net earnings per share, basic (\$)	-1.56	0.55
Net earnings per share, diluted (\$)	-1.55	0.55
Internal funds before non-cash items ⁽¹⁾ (\$)	77,702	91,180
Gross selling price of oil (\$)	56.54	42.61
Total <u>recognized</u> production of Block 7 (thousands of barrels)	6,392	7,215
Pebercan's share (thousands of barrels)	2,059	2,791
Number of wells in production (end of period)	43 ⁽³⁾	40 ⁽²⁾
Weighted average of shares in circulation:		
<i>Basic shares</i>	74,631,695	74,454,869
<i>Diluted shares</i>	75,535,338	75,667,867

(1) Refer to the note on measures not consistent with GAAP.

(2) Excluding two wells shut down on Canasi (Canasi 4 and Canasi 2) and production at Santa Cruz 100, 101, 300 and Tarara 100, which is not yet marketable.

(3) Excluding two wells shut down on Canasi, 1 on Seboruco, 3 on Santa Cruz and Canasi 100, for which completion is pending.

(4) Subsequent to the notice regarding marketing of the Santa Cruz deposit, this field's production has since the fourth quarter of 2004 been included in Block 7 billing for the second quarter of 2006.

<i>In thousands of \$ (except for working capital ratio)</i>	December 31, 2008	December 31, 2007
Cash and cash equivalents	10,652	21,741
Working capital	85,257	103,511
Working capital ratio	15.5	9.3
Oil and gas properties	--	135,565
Total assets	91,139	252,376
Shareholders' equity	85,257	201,938

Post year-end events

As described above, on January 14, 2009, Peberco signed an agreement for the termination of rights on interests in oil production and the assignment of accounts receivable. This contract came into full effect on February 9, 2009, subsequent to the Cuban authorities' disbursement of the entire agreed upon lump sum. Following receipt of this payment, the Company signed a settlement agreement with its partner in order to determine the allocations and payments necessary to terminate the Joint Venture Agreement.

On February 20, 2009, the Company announced its intention to end its normal course of business. Its remaining assets, originating from amounts paid to Peberco by Cuban authorities, will be distributed to the Company's shareholders. The Board of Directors, having set aside the necessary reserves to enable Pebercan to meet all of its obligations, will evaluate a number of alternatives for distributing the amounts to which Pebercan shareholders will be entitled.

Outlook

On February 9, 2009, the Company relinquished to Cupet all of its oil facilities in Cuba.

On February 20, 2009, the Company announced its intention to cease all commercial activities. Its remaining assets, originating from amounts paid to Peberco by Cuban authorities, will be distributed to the Company's shareholders.

Pebercan's interim consolidated financial statements and management discussion and analysis for the period ended as at December 31, 2008 are available on our Web site at www.pebercan.com as well as on the SEDAR site, at www.sedar.com.

Pebercan Inc. was involved in the exploration, development and mining of oil reserves in the Republic of Cuba. Its mining properties consisted of three concessions covering 93 km² and including Block 7, the only exploited concession to date. Pebercan sold its entire production to the Cuban government but was not bound by any restrictions regarding the sale of its oil. The Company's shares are listed on the TSX and trade under the symbol PBC.

Legal Notice - Forward-Looking Statements

Forward-looking statements contained in this press release involve known and unknown risks, uncertainties or other factors that may cause actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. We believe these prospective declarations to be reasonable, given that they are based on assumptions that the Board has reviewed and judged valid. Pebercan disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Important additional information identifying risks and uncertainties is contained in the Company's most recent annual and interim reports and forms filed with the applicable Canadian securities regulatory authorities.

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