Gran Tierra Energy Inc. Announces Second Quarter 2011 Results

Quarter highlighted by record production and cash flow, and initial test production from the Moqueta field through new Moqueta-Costayaco pipeline

CALGARY, Alberta, August 8, 2011, Gran Tierra Energy Inc. **("Gran Tierra Energy" or the "Company") (NYSE Amex: GTE, TSX: GTE),** a company focused on oil and gas exploration and production in South America, today announced its financial and operating results for the quarter ended June 30, 2011. All dollar amounts are in United States dollars unless otherwise indicated.

Highlights for the quarter include:

- Quarterly production of 18,141 barrels of oil equivalent per day ("**BOEPD**") net after royalty ("**NAR**"), a 36% increase in average daily production from the same period in 2010 of 13,376 BOEPD due to additional production from existing field developments, new production from recent field discoveries, and production growth from the recently acquired assets of Petrolifera Petroleum Ltd. ("Petrolifera");
- Quarterly oil production of 17,525 barrels of oil per day ("**BOPD**") NAR, a 32% increase in average daily production from the same period in 2010 of 13,234 BOPD NAR;
- Quarterly gas production of 3.7 million cubic feet per day ("**MMCFD**") NAR, a 334% increase in average daily production from the same period in 2010 of 0.8 MMCFD NAR;
- Revenue and other income for the quarter of $162.1 million, a 93% increase over the same period in 2010;
- Net income of $31.6 million or $0.11 per share basic and diluted compared to net income of $17.4 million or $0.07 per share basic and diluted in the same period in 2010;
- Funds flow from operations of $88.6 million compared to $44.3 million for the same period in 2010;
- Cash and cash equivalents were $211.4 million at June 30, 2011 compared to $355.4 million at December 31, 2010 and working capital decreased to $215.4 million at June 30, 2011 compared to $265.8 million at December 31, 2010;
- Moqueta-5 delineation well testing was initiated from a single zone at production rates of approximately 730 BOPD over 10 days with a jet pump, with additional testing ongoing;
- Major infrastructure projects were completed including the construction and commissioning of the Moqueta to Costayaco flow-line with first short-term test production commencing in June, and the connection of the Costayaco field into Colombia's national electrical system;
- First production contribution from Gran Tierra Energy's Brazil assets in the Recôncavo Basin was recorded in the quarter;
- Continued to mature plans for robust exploration, delineation and development drilling campaigns in Colombia, Brazil, Peru and Argentina through 2011 and into 2012.

"Several significant milestones were achieved in the second quarter of 2011, positioning the Company to achieve continued growth into the future. The completion of the Moqueta to Costayaco flow-line and initiation of production was a major achievement. This is the first time that an oil field in Colombia has been discovered and test production initiated with operations entirely supported by helicopter and without access by road minimizing the environmental footprint of Gran Tierra Energy's operations at this early stage of development," said Dana Coffield, President and Chief Executive Officer of Gran Tierra Energy. "We achieved record production in the quarter due to effective management of existing producing fields in Colombia and Argentina and new production from recent discoveries in Colombia and Brazil. Record cash flow, and progress in permitting and contracting, are supporting the execution of our planned exploration and drilling program scheduled for the balance of 2011 and into 2012," concluded Coffield.

Production Review

	Three Months Ended June 30, 2011				Three Months Ended June 30, 2010			
(Barrels of Oil Equivalent)	Colombia	Argentina	Brazil	Total	Colombia	Argentina	Brazil	Total
Gross Production	1,931,951	295,025	5,143	2,232,119	1,654,290	74,074	-	1,728,364

Royalties	(558,795)	(34,331)	(566)	(593,692)	(433,378)	(8,647)	-	(442,025)
Inventory Adjustment	17,107	(4,095)	(564)	12,448	(69,139)	(20)	-	(69,159)
Production Net After Royalties (NAR)	1,390,263	256,599	4,013	1,650,875	1,151,773	65,407	-	1,217,180
Barrels of Oil Equivalent Per Day (BOEPD) (NAR)	15,277	2,820	44	18,141	12,657	719	-	13,376

	Six Months Ended June 30, 2011				Six Months Ended June 30, 2010			
(Barrels of Oil Equivalent)	Colombia	Argentina	Brazil	Total	Colombia	Argentina	Brazil	Total
Gross Production	3,649,647	404,967	5,143	4,059,757	3,367,729	160,529	-	3,528,258
Royalties	(1,042,007)	(47,833)	(566)	(1,090,406)	(898,511)	(18,744)	-	(917,255)
Inventory Adjustment	(4,553)	(4,187)	(564)	(9,304)	(48,121)	(265)	-	(48,386)
Production Net After Royalties (NAR)	2,603,087	352,947	4,013	2,960,047	2,421,097	141,520	-	2,562,617
Barrels of Oil Equivalent Per Day (BOEPD) (NAR)	14,382	1,950	22	16,354	13,376	782	-	14,158

Financial Review

	Three Months Ended June 30,			Six Months Ended June 30,		
	2011	2010	% Change	2011	2010	% Change
(Thousands of U.S. Dollars)						
Revenue and Interest	$ 162,120	$ 84,114	93	$ 284,639	$ 177,224	61
Net income	$ 31,567	$ 17,371	82	$ 45,280	$ 27,331	66
(US Dollars per Share)						
Net Income Per Share – Basic	$ 0.11	$ 0.07	57	$ 0.17	$ 0.11	55
Net Income Per Share – Diluted	$ 0.11	$ 0.07	57	$ 0.16	$ 0.10	60

Funds flow from operations[1] reconciled to net income is as follows:

Funds flow From Operations - Non-GAAP Measure	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
(Thousands of U.S. Dollars)				
Net income	$ 31,567	17,371	$ 45,280	27,331
Adjustments to reconcile net income to funds flow from operations				
Depletion, depreciation, accretion and impairment	46,965	31,641	110,322	71,984
Deferred taxes	(5,219)	(7,977)	(5,406)	(18,031)
Stock-based compensation	2,492	1,998	5,945	3,360
Unrealized gain on financial instruments	(1,292)	-	(1,354)	(44)

Unrealized foreign exchange loss	11,644	1,290	16,102	13,997
Settlement of asset retirement obligation	(305)	-	(309)	-
Equity taxes payable long-term	119	-	6,251	-
Loss (gain) on acquisition	2,601	-	(21,699)	-
Funds flows from operations	$ 88,572	$ 44,323	$ 155,132	$ 98,597

(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.

Second Quarter 2011 Financial Highlights:

Revenue and interest increased 93% to $162.1 million for the three months ended June 30, 2011 compared to $84.1 million in the same quarter in 2010 due to increased production and an increase of 45% in realized crude oil prices. For the six months ended June 30, 2011, revenue and interest increased 61% to $284.6 million compared to $177.2 million in the same period in 2010 due to increased production and an increase of 41% in realized crude oil prices.

Operating expenses for the second quarter of 2011 amounted to $23.2 million compared to $9.5 million recorded in the second quarter of 2010. The increase in operating expenses was primarily due to higher workover, fuel and power, water injection and trucking costs as well as the inclusion of Petrolifera operating costs. Operating expenses for the first six months of 2011, increased to $39.6 million from $19.7 million in the first six months of 2010 due to the same factors. On a barrel of oil equivalent ("**BOE**") basis, operating costs per BOE increased to $14.03 from $7.83 for the second quarter and to $13.36 from $7.69 for the first half of the year compared to the prior year periods.

Depletion, depreciation, accretion and impairment expense ("**DD&A**") for the current quarter increased to $47.0 million compared to $31.6 million for the same quarter in 2010. The increase was attributable to higher production levels as the depletion rate of $28.45 per BOE remained comparable to the same quarter last year. Increased costs in the depletable pools were offset by higher reserves. DD&A expense for the second quarter of 2011 also included $4.2 million representing DD&A related to properties acquired from Petrolifera. For the six months ended June 30, 2011, DD&A expense increased to $110.3 million from $72.0 million recorded in the same period last year due to increased production and a $33.4 million ceiling test impairment recorded in Gran Tierra Energy's Peru cost center in the first quarter of 2011 which also resulted in an increase in the effective depletion rate to $37.27 per BOE in the current six month period compared to $28.09 per BOE recorded in the same period last year.

General and administrative expense ("**G&A**") of $16.4 million and $30.0 million for the three and six months ended June 30, 2011, respectively, were higher than comparable periods in 2010 reflecting expanded operations and the acquisition of Petrolifera. G&A expenses per BOE increased 26% to $9.94 per BOE for the current quarter, compared to $7.88 per BOE for the second quarter of 2010, and increased by 55% to $10.15 per BOE for the first six months ended June 30, 2011 compared to $6.55 per BOE for the six months ended June 30, 2010 due to the same factors.

Equity tax for the first half of 2011 of $8.3 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 was 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 was recorded in 2010.

A foreign exchange loss of $14.5 million was recorded in the second quarter of 2011, of which $11.6 million is an unrealized non-cash foreign exchange loss. This compares to the $3.1 million foreign exchange loss recorded in the same quarter of 2010, of which $1.3 million was an unrealized non-cash foreign exchange loss. For the six months ended June 30, 2011, a foreign exchange loss of $19.7 million was recorded, of which $16.1 million is an unrealized non-cash foreign exchange loss, compared to a foreign exchange loss of $17.4 million, of which $14.0 million was an unrealized non-cash foreign exchange loss in the same period in 2010. 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 5% in the current quarter (7% for the six months ended June 30, 2011) and 1% for the three months ended June 30, 2010 (6% for the six months ended June 30, 2010) resulted in the foreign exchange losses.

The results for the second quarter of 2011 include a non-cash loss of $2.6 million ($21.7 million gain for the six months ended June 30, 2011) on the acquisition of Petrolifera.

Net income of $31.6 million or $0.11 per share basic and diluted was recorded for the second quarter of 2011, compared to net income of $17.4 million, or $0.07 per share basic and diluted, for the same period in 2010. For the first half of the year, net income increased to $45.3 million or $0.17 per share basic and $0.16 per share diluted compared to net income of $27.3 million or $0.11 per share basic and $0.10 per share diluted recorded in the first half of 2010.

Balance Sheet Highlights:

The Company reported cash and cash equivalents of $211.4 million at June 30, 2011 compared to $355.4 million at December 31, 2010. The decline in cash is due to capital spending and an increase of $113.3 million in accounts receivable primarily due to the timing of payments from Ecopetrol. Working capital decreased to $215.4 million at June 30, 2011, as compared to $265.8 million at December 31, 2010 due mainly to lower cash and cash equivalents and the short-term bank debt, offset partially by the increase in accounts receivable. Shareholders' equity increased to $1,082.6 million at June 30, 2011 from $886.9 million at December 31, 2010, and the Company had $31.3 million short-term bank debt as of June 30, 2011 related to the reserve-backed credit facility held by Petrolifera. Gran Tierra Energy repaid this debt on August 5, 2011 after the Argentine restriction preventing its repayment expired. The Company is again debt free.

Production Highlights:

Average daily consolidated light and medium crude oil and natural gas production for the three months ended June 30, 2011 increased 36% to 18,141 BOEPD NAR compared to 13,376 BOEPD NAR for the same period in 2010. Second quarter production was impacted by additional production from existing field developments, new production from recent field discoveries, and production growth from the recently acquired Petrolifera assets. Light and medium crude oil represented approximately 97% of the production for the three months ended June 30, 2011.

Average daily Colombian production of light and medium crude oil and natural gas for the three months ended June 30, 2011 increased 21% to 15,277 BOEPD NAR compared to 12,657 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. Light and medium crude oil represented approximately 99% of the Colombia production for the three months ended June 30, 2011.

Average daily Argentine production of light and medium crude oil and natural gas for the quarter ended June 30, 2011 increased 292% to 2,820 BOEPD NAR compared to 719 BOEPD NAR for the same period in 2010 as a result of the inclusion of Petrolifera production beginning March 19, 2011. Light and medium crude oil represented approximately 82% of the Argentine production for the three months ended June 30, 2011.

Average daily Brazil production of light and medium oil for the 16-day period ended June 30, 2011 averaged 44 BOPD NAR over the quarter. Production has been averaging approximately 250 BOPD NAR since approval of the assignment of interests to Gran Tierra Energy.

Average daily consolidated production in July, 2011 averaged approximately 18,250 BOEPD NAR. This included approximately 14,900 BOPD NAR of crude oil in Colombia, approximately 250 BOPD NAR of crude oil in Brazil, and approximately 2,400 BOPD NAR of crude oil and approximately 4.3 MMCFD NAR of natural gas (or approximately 700 BOEPD NAR) in Argentina.

Production for the six months ended June 30, 2011 averaged 16,354 BOEPD NAR.

Capital Program and Operations Update

Gran Tierra Energy's 2011 capital program outlook for 2011 of $357 million 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 allocated to drilling, approximately $87 million is for exploration and the balance is for delineation and development drilling.

Gran Tierra Energy continues to anticipate 2011 production following the acquisition of Petrolifera to average between 17,500 BOEPD to 19,000 BOEPD.

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 began in May, 2011 and the well is expected to start drilling in the third quarter of 2011.

The Pacayaco-1 ST1 oil exploration well on the Chaza block of the Putumayo basin is expected to be drilled in the fourth quarter of 2011

The Turpial-1 oil exploration well in the Turpial Block in the Middle Magdelena Basin is expected to begin drilling in the fourth 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.

The Brillante SE-2x well is expected to begin drilling late in the third quarter of 2011.

COLOMBIA

Moqueta Field, Chaza Block

During the second quarter of 2011, Gran Tierra Energy completed the 6-inch diameter, 8-km flowline connecting the Moqueta oil discovery to existing Costayaco infrastructure. In addition, a parallel 4-inch gas line was completed that will be used to transport gas from Costayaco to Moqueta for anticipated gas injection for pressure support. First short-term test production occurred in June, 2011 and will continue throughout 2011 as we test the reservoir productivity and pressure response. Average production from the Moqueta field is expected to be modest, at approximately 500 BOPD for the second half of 2011 until gas compression facilities are installed. 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. New 3D seismic acquisition is expected to start in the third quarter to assist in refining the mapping of the Moqueta field and planning further delineation and development drilling.

The Moqueta-5 delineation well was drilled from the same well pad as the Moqueta-4 delineation well and reached total measured depth of 5,309 feet in April. Based on mud and electric logs and Repeat Formation Tester ("**RFT**") 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. Initial production tests at Moqueta-5 were conducted on the T Sandstone reservoir and will eventually be performed on all zones. Testing over 10 days resulted in production rates of 730 BOPD with a jet pump.

Moqueta-6, expected to spud in third quarter of 2011, will also be drilled as a deviated well from the Moqueta-4 surface location to further investigate the aerial extent 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 600 meters northwest of Moqueta-4.

Planning is underway for Moqueta-7 which is 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.

Costayaco Field, Chaza Block, Putumayo Basin

The Costyaco-14 development well is currently being drilled. This well is planned to be used as a water injector for pressure support of the Costayaco field. The field was connected to the national electrical system during the quarter, which is expected to marginally improve operating costs in the area going forward.

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 third quarter of 2011 through compressed natural gas trucking at approximately two to three MMCFD. A new 275 square kilometer 3D seismic program is expected to be acquired in the third 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 delineation well is expected to evaluate the significant potential gas resource discovered by Brillante SE-1x and is expected to spud late in the third quarter of 2011.

Juanambu Field, Guayuyaco Block

The Juanambu-3 development well drilling operations were completed in April, 2011 and production tests are ongoing.

Garibay Block

The Melero-1 exploration well reached total depth of 9,748 feet on July 16, 2011. Oil shows in the Mirador formation were encountered during drilling and oil is interpreted from logs. RFT data over the zone was inconclusive. A testing program is currently being prepared.

BRAZIL

On June 15, 2011, Gran Tierra Energy received final approvals from Agência Nacional de Petróleo Gás Natural e Biocombustíveis for a 70% working interest and operatorship of Blocks -129, -142 and -224 and -155 in the onshore Recôncavo Basin. Gran Tierra Energy anticipates drilling two development wells in the second half of 2011 to grow production from this discovery, which is currently producing approximately 500 BOPD gross from one zone without the assistance of pumps.

In addition, 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 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 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 is expected to further delineate this field and explore deeper reservoir horizons not penetrated by the discovery well.

Block 107 and 133, 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. Geologic studies are ongoing on the adjacent Block 133 in preparation for seismic acquisition in 2012.

Blocks 122 and 128, Marañon Basin

The prospectivity of Blocks 122 and 128 is under review as a result of the Kanatari-1 drilling. No additional wells will be drilled on the blocks in 2011.

Blocks 123, 124 and 129, Marañon Basin

Government approval for Gran Tierra Energy's 20% non-operated working interest in ConocoPhillips operated Blocks 123, 124 and 129 was granted on March 19, 2011 with final assignment completed April 26, 2011. Gran Tierra Energy is evaluating the prospectivity of blocks 123 and 129 based on recently acquired 2D seismic data together with its partners on the block. Additional infill 2D seismic data will be acquired in late 2011 in those two blocks.

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 evaluating the gas potential of the acreage, with gas-condensate reserves and production proven in the region. Gran Tierra Energy has agreed to proceed with Apache into the second exploration phase, which has a work commitment to be fulfilled with one exploration well expected to be drilled before the end of 2012.

Puesto Morales / Puesto Morales Este Blocks, Neuquen Basin

Gran Tierra Energy has initiated its workover program on 16 wells and completed 10 at the end of the quarter. Geological and geophysical studies are ongoing to optimize the location of the planned 6 development wells in the fourth quarter. The goal of the 6 development wells is to improve recovery in the remaining reserves and grow production. Since taking over operatorship in March, the production decline of the last several years has been halted with the workover program. Production has subsequently grown to approximately 2,530 BOEPD from 2,360 BOEPD.

Conference Call Information:

Gran Tierra Energy Inc. will host its second quarter 2011 results conference call on Tuesday, August 9, 2011 at 8:00 a.m. Mountain Time (MT).

President and Chief Executive Officer Dana Coffield is in Brazil and Colombia attending meetings with Canadian Prime Minister Stephen Harper and will be unable to make the scheduled conference call. 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 1-866-804-6928 (domestic) or 1-857-350-1674 (international), pass code 75075915. 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 1:00 p.m. on August 23, 2011. To access the replay dial 1-888-286-8010 (domestic) or 617-801-6888 (international) pass code 21135132.

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; including under the caption "Capital Program and Operations Update"; production projections; Gran Tierra Energy's planned operations and expected results from those operations, including as described under the captions "Colombia", "Peru", "Brazil" and "Argentina"; 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 capital program requires a tremendous amount of capital, a portion of which is expected to come from operating cash flows which, if not sufficient to fund the capital program, may require Gran Tierra Energy to curtail or delay its capital spending program, which would curtail or delay its exploration and development activities; 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; 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, drilling and/or construction activities. 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 Quarterly Report on Form 10-Q filed May 10, 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

For investor and media inquiries please contact:
Jason Crumley
Director, Investor Relations
403-265-3221
info@grantierra.com
www.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 (Accumulated Deficit) (Unaudited)
(Thousands of U.S. Dollars, Except Share and Per Share Amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	**2010**	**2011**	**2010**
REVENUE AND OTHER INCOME				
Oil and natural gas sales	**$ 161,664**	$ 83,717	**$ 283,960**	$ 176,649
Interest	**456**	397	**679**	575
	162,120	84,114	**284,639**	177,224
EXPENSES				
Operating	**23,160**	9,529	**39,556**	19,714
Depletion, depreciation, accretion, and impairment	**46,965**	31,641	**110,322**	71,984
General and administrative	**16,410**	9,594	**30,048**	16,784
Equity tax	**221**	-	**8,271**	-
Financial instruments gain	**(1,292)**	-	**(1,522)**	(44)
Loss (gain) on acquisition	**2,601**	-	**(21,699)**	-
Foreign exchange loss	**14,495**	3,126	**19,694**	17,420
	102,560	53,890	**184,670**	125,858
INCOME BEFORE INCOME TAXES	**59,560**	30,224	**99,969**	51,366
Income tax expense	**(27,993)**	(12,853)	**(54,689)**	(24,035)
NET INCOME AND COMPREHENSIVE INCOME	**31,567**	17,371	**45,280**	27,331
RETAINED EARNINGS, BEGINNING OF PERIOD	**71,810**	30,885	**58,097**	20,925
RETAINED EARNINGS, END OF PERIOD	**$ 103,377**	$ 48,256	**$ 103,377**	$ 48,256
NET INCOME PER SHARE — BASIC	**$ 0.11**	$ 0.07	**$ 0.17**	$ 0.11
NET INCOME PER SHARE — DILUTED	**$ 0.11**	$ 0.07	**$ 0.16**	$ 0.10
WEIGHTED AVERAGE SHARES OUTSTANDING - BASIC	***277,297,728***	*254,344,474*	***269,159,453***	*251,234,950*
WEIGHTED AVERAGE SHARES OUTSTANDING - DILUTED	***284,451,536***	*263,853,024*	***277,530,126***	*260,922,669*

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

	June 30, 2011	December 31, 2010
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 211,355**	$ 355,428
Restricted cash	**11,465**	250
Accounts receivable	**156,350**	43,035
Inventory	**7,109**	5,669
Taxes receivable	**20,274**	6,974
Prepaids	**2,486**	1,940
Deferred tax assets	**2,643**	4,852
Total Current Assets	**411,682**	418,148
Oil and Gas Properties (using the full cost method of accounting)		
Proved	**567,422**	442,404
Unproved	**434,254**	278,753
Total Oil and Gas Properties	**1,001,676**	721,157
Other capital assets	**7,379**	5,867
Total Property, Plant and Equipment	**1,009,055**	727,024
Other Long Term Assets		
Restricted cash	**1,359**	1,190
Deferred tax assets	**12,082**	-
Other long term assets	**297**	311
Goodwill	**102,581**	102,581

Total Other Long Term Assets	**116,319**	104,082
Total Assets	**$ 1,537,056**	$ 1,249,254
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	**$ 49,727**	$ 76,023
Accrued liabilities	**74,300**	32,120
Bank debt	**31,250**	-
Taxes payable	**40,723**	43,832
Asset retirement obligations	**322**	338
Total Current Liabilities	**196,322**	152,313
Long Term Liabilities		
Deferred tax liabilities	**231,558**	204,570
Equity tax payable	**10,293**	-
Asset retirement obligations	**10,468**	4,469
Other long term liabilities	**5,811**	1,036
Total Long Term Liabilities	**258,130**	210,075
Shareholders' Equity		
Common shares	**5,846**	4,797
(260,977,461 and 240,440,830 common shares and 16,726,430 and 17,681,123 exchangeable shares, par value $0.001 per share, issued and outstanding as at June 30, 2011 and December 31, 2010 respectively)		
Additional paid in capital	**971,601**	821,781
Warrants	**1,780**	2,191
Retained earnings	**103,377**	58,097
Total Shareholders' Equity		

	1,082,604	886,866
Total Liabilities and Shareholders' Equity	**$ 1,537,056**	$ 1,249,254

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

	Three Months Ended June 30		Six Months Ended June 30	
	2011	**2010**	**2011**	**2010**
Operating Activities				
Net income	**$ 31,567**	$ 17,371	**$ 45,280**	$ 27,331
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depletion, depreciation and accretion	**46,965**	31,641	**110,322**	71,984
Deferred taxes	**(5,219)**	(7,977)	**(5,406)**	(18,031)
Stock based compensation	**2,492**	1,998	**5,945**	3,360
Unrealized gain on financial instruments	**(1,292)**	-	**(1,354)**	(44)
Unrealized foreign exchange loss	**11,644**	1,290	**16,102**	13,997
Settlement of asset retirement obligations	**(305)**	-	**(309)**	-
Equity taxes payable long-term	**119**	-	**6,251**	-
Loss (gain) on acquisition	**2,601**	-	**(21,699)**	-
Net changes in non-cash working capital	**-**	-		
Accounts receivable	**(17,919)**	10,773	**(100,955)**	(35,435)
Inventory	**(949)**	(584)	**(213)**	(487)
Prepaids	**620**	292	**(211)**	(377)
Accounts payable and accrued liabilities	**20,235**	3,580	**(2,521)**	(14,216)
Taxes receivable and payable	**(26,221)**	(7,860)	**(18,120)**	4,887
Net cash provided by operating activities	**64,338**	50,524	**33,112**	52,969
Investing Activities				
Restricted cash	**(2,539)**	(51)	**(8,139)**	661
Additions to property, plant and equipment	**(104,889)**	(23,842)	**(179,155)**	(50,914)

Proceeds from disposition of oil and gas property	**-**	600	**-**	1,200
Cash acquired on acquisition	**-**	-	**7,747**	-
Proceeds on sale of asset backed commercial paper	**-**	-	**22,679**	-
Long term assets and liabilities	**10**	(12)	**13**	20
Net cash used in investing activities	**(107,418)**	(23,305)	**(156,855)**	(49,033)
Financing Activities				
Settlement of bank debt	**-**	-	**(22,853)**	-
Proceeds from issuance of common stock	**534**	331	**2,523**	18,504
Net cash (used in) provided by financing activities	**534**	331	**(20,330)**	18,504
Net decrease in cash and cash equivalents	**(42,546)**	27,550	**(144,073)**	22,440
Cash and cash equivalents, beginning of period	**253,901**	270,786	**355,428**	270,786
Cash and cash equivalents, end of period	**$ 211,355**	$ 298,336	**$ 211,355**	$ 293,226
Cash	**$ 135,142**	$ 194,465	**$ 135,142**	$ 194,465
Term deposits	**76,213**	98,761	**76,213**	98,761
Cash and cash equivalents, end of period	**$ 211,355**	$ 293,226	**$ 211,355**	$ 293,226
Supplemental cash flow disclosures:				
Cash paid for interest	**$ 676**	$ -	$ **1,344**	$ -
Cash paid for taxes	**$ 54,512**	$ 22,365	**$ 64,205**	$ 32,512
Non-cash investing activities:				
Non-cash working capital related to property, plant and equipment	**$ 39,118**	$ 21,220	**$ 39,118**	$ 21,220