Gran Tierra Energy Inc. Announces Third Quarter 2011 Results

Quarter Highlighted by Record Production, Continued Exploration Success and Expanding Strategic Partnerships

CALGARY, Alberta, November 7, 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 September 30, 2011. All dollar amounts are in United States dollars unless otherwise indicated.

Highlights for the quarter include:

- Record quarterly production of 18,369 barrels of oil equivalent per day ("**BOEPD**") net after royalty ("**NAR**"), a 36% increase in average daily production from 13,536 BOEPD in the same period in 2010, due to additional production from existing field developments, new production from recent field discoveries, and production from the acquired assets of Petrolifera Petroleum Ltd. ("**Petrolifera**");
- Quarterly oil production of 17,437 barrels of oil per day ("**BOPD**") NAR, a 30% increase in average daily production from 13,367 BOPD NAR in the same period in 2010;
- Quarterly gas production of 5.6 million cubic feet per day ("**MMCFD**") NAR, a 451% increase in average daily production from 1.0 MMCFD NAR in the same period in 2010;
- Revenue and other income for the quarter of $151.0 million, a 79% increase over the same period in 2010;
- Net income of $49.1 million or $0.18 per share basic and $0.17 per share diluted compared with net loss of $3.3 million or $0.01 per share basic and diluted in the same period in 2010;
- Funds flow from operations of $72.8 million in the third quarter of 2011 compared with $37.2 million for the same period in 2010;
- Cash and cash equivalents were $226.4 million at September 30, 2011 compared with $355.4 million at December 31, 2010 and working capital was $230.5 million at September 30, 2011 compared with $265.8 million at December 31, 2010;
- Successful Melero-1 exploration well on the Garibay block (GTE 50% WI) in the Llanos Basin, Colombia, which tested 922 BOPD from the Upper Mirador formation;
- Successful RNx-1004 exploration well in the Rinconada Norte block (GTE 35% WI) of the Neuquen Basin, Argentina, which tested 1,023 BOEPD from the Precuyo formation;
- Announced two farm-in agreements with Statoil do Brasil Ltda. ("**Statoil**"), in a joint venture with PetróleoBrasileiro S.A. ("**Petrobras**"), in Brazil's deepwater offshore Camamu-Almada Basin subject to obtaining regulatory approval from Agência Nacional de Petróleo, Gás Natural e Biocombustíveis ("**ANP**"); and
- Subsequent to end of the third quarter, announced acreage swap in Colombia with CEPSA Colombia S.A., ("**CEPSA**"), resulting in additional exploration opportunities in the foothills of the Llanos Basin subject to obtaining regulatory approval from Colombia's Agencia Nacional de Hidrocarburos ("**ANH**").

"The third quarter of 2011 represented a strong period with growing production, exploration success in Colombia and Argentina, and expansion of Gran Tierra Energy's exploration portfolio in Brazil and, more recently, in Colombia. In Colombia, the Melero-1 exploration well represents the second successful exploration well with CEPSA on the Garibay Block in the Llanos Basin. On the back of these successes, Gran Tierra Energy has increased its exposure in the area through a recently announced asset swap with CEPSA," said Dana Coffield, President and Chief Executive Officer of Gran Tierra Energy. "Our continued exploration success, along with the announced deals in Brazil and Colombia, has added to Gran Tierra Energy's robust exploration portfolio. We are currently conducting operations on two oil exploration wells in Colombia and two in Brazil, with additional exploration and development wells planned in those countries plus Argentina and Peru in the coming months and next year. Gran Tierra Energy's balance sheet remains strong, with no debt and our capital program is expected to be fully funded out of cash flow and cash on hand," concluded Coffield.

Production Review

(Barrels of Oil Equivalent)	Three Months Ended September 30, 2011				Three Months Ended September 30, 2010			
	Colombia	Argentina	Brazil	Total	Colombia	Argentina	Brazil	Total
Gross Production	1,882,078	332,067	26,067	2,240,212	1,538,656	77,992	-	1,616,648
Royalties	(511,571)	(37,473)	(3,269)	(552,313)	(396,064)	(9,061)	-	(405,125)
Inventory Adjustment	(3,032)	6,430	(1,374)	2,024	35,933	(2,124)	-	33,809
Production Net After Royalties (NAR)	1,367,475	301,024	21,424	1,689,923	1,178,525	66,807	-	1,245,332
Barrels of Oil Equivalent Per Day (BOEPD) (NAR)	14,864	3,272	233	18,369	12,810	726	-	13,536

(Barrels of Oil Equivalent)	Nine Months Ended September 30, 2011				Nine Months Ended September 30, 2010			
	Colombia	Argentina	Brazil	Total	Colombia	Argentina	Brazil	Total
Gross Production	5,531,724	736,975	31,210	6,299,909	4,906,382	238,521	-	5,144,903
Royalties	(1,553,486)	(83,855)	(3,835)	(1,641,176)	(1,294,575)	(27,805)	-	(1,322,380)
Inventory Adjustment	(7,676)	852	(1,938)	(8,762)	(12,188)	(2,389)	-	(14,577)
Production Net After Royalties (NAR)	3,970,562	653,972	25,437	4,649,971	3,599,619	208,327	-	3,807,946
Barrels of Oil Equivalent Per Day (BOEPD) (NAR)	14,544	2,396	93	17,033	13,186	763	-	13,949

Financial Review

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2011	2010	% Change	2011	2010	% Change
(Thousands of U.S. Dollars)						
Revenue and Other Income	$ 151,033	$ 84,569	79	$ 435,672	$ 261,793	66
Net Income (Loss)	$ 49,085	$ (3,277)	-	$ 94,365	$ 24,054	292
(US Dollars per Share)						
Net Income (Loss) Per Share – Basic	$ 0.18	$ (0.01)	-	$ 0.35	$ 0.10	250
Net Income (Loss) Per Share – Diluted	$ 0.17	$ (0.01)	-	$ 0.34	$ 0.09	278

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

Funds flow From Operations - Non-GAAP Measure	Three Months Ended September 30, 2011	2010	Nine Months Ended September 30, 2011	2010
(Thousands of U.S. Dollars)				
Net income (loss)	$ 49,085	(3,277)	$ 94,365	24,054
Adjustments to reconcile net income (loss) to funds flow from operations				
Depletion, depreciation, accretion and impairment	49,852	35,254	160,174	107,238
Deferred taxes	(10,082)	(9,995)	(15,488)	(28,026)
Stock-based compensation	3,438	2,064	9,383	5,424
Unrealized gain on financial instruments	-	-	(1,354)	(44)
Unrealized foreign exchange (gain) loss	(15,966)	13,139	136	27,136
Settlement of asset retirement obligation	-	-	(309)	(263)
Equity taxes payable long-term	(3,510)	-	2,741	-
Gain on acquisition	-	-	(21,699)	-
Funds flows from operations	$ 72,817	$ 37,185	$ 227,949	$ 135,519

(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.

Third Quarter 2011 Financial Highlights

Revenue and other income increased 79% to $151.0 million for the three months ended September 30, 2011 compared with $84.6 million in the same quarter in 2010 due to increased production and an increase of 36% in realized crude oil prices. For the nine months ended September 30, 2011, revenue and other income increased 66% to $435.7 million compared with $261.8 million in the same period in 2010 due to increased production and an increase of 39% in realized crude oil prices.

Operating expenses for the third quarter of 2011 amounted to $21.7 million, or $12.86 per barrel of oil equivalent ("**BOE**"), compared with $19.4 million or $15.58 per BOE, in the third quarter of 2010. The third quarter increase in operating expenses was mainly due to an increase of $5.7 million in operating costs in Argentina ($5.5 million related to properties acquired from Petrolifera), partially offset by a decrease of $3.9 million in operating costs in Colombia due to lower transportation costs as a result of the absence of pipeline disruptions and lower workover costs. The third quarter reduction in operating costs on a per BOE basis was a result of increases in production more than offsetting increased operating costs.

Operating expenses for the nine months ended September 30, 2011, increased to $61.3 million or $13.18 per BOE, from $39.0 million or $10.25 per BOE, in the comparable nine month period of 2010. The increase in operating expenses for the nine months ended September 30, 2011, was mainly due to an increase of $12.5 million in operating costs in Argentina ($10.6 million related to properties acquired from Petrolifera) and an increase of $9.1 million in Colombia as a result of expanded operations.

Depletion, Depreciation, Accretion and Impairment ("DD&A") expense for the third quarter of 2011 increased to $49.9 million compared with $35.3 million in the third quarter of 2010. The increase was attributable to increased production levels as the depletion rate of $29.50 per BOE remained comparable to the third quarter of 2010. DD&A expense for the third quarter of 2011 included $5.9 million related to properties acquired from Petrolifera and a $7.4 million impairment loss related to the Peru cost center. Increased costs in the depletable pools were more than offset by increased reserves.

For the nine months ended September 30, 2011, DD&A expense increased to $160.2 million from $107.2 million in the comparable nine month period in 2010 due to increased production and a $40.8 million impairment loss recorded in Gran Tierra Energy's Peru cost center. This resulted in an increase in DD&A expense to $34.45 per BOE in the nine month period compared with $28.16 per BOE recorded in the comparable nine month period in 2010. DD&A expense on the Petrolifera properties for the nine months ended September 30, 2011 was $10.7 million. For the nine months ended September 30, 2010, a $3.7 million ceiling test impairment loss was included in Gran Tierra Energy's Argentina cost center.

General and Administrative ("G&A") expenses of $16.3 million and $46.4 million for the three and nine months ended September 30, 2011, respectively, were higher than the comparable periods in 2010 due to increased employee related costs reflecting the expanded operations in all business segments and $1.2 million of expenses associated with the acquisition of Petrolifera. G&A expenses for Petrolifera's operations were $2.6 million and $5.6 million for the three and nine months ending September 30, 2011 (including interest on bank debt of $0.8 million and $1.6 million respectively). G&A expenses per BOE increased 10% to $9.65 per BOE for the current quarter, compared with $8.81 per BOE for the third quarter of 2010, and increased by 36% to $9.97 per BOE for the nine months ended September 30, 2011 compared with $7.31 for the comparable nine month period in 2010 due to the same factors.

Equity tax represents a Colombian tax of 6% on the balance sheet equity of Gran Tierra Energy's Colombian segment at January 1, 2011.

The ***gain on acquisition*** recognized in the nine months ended September 30, 2011 relates to the acquisition of Petrolifera. This gain reflects the impact on Petrolifera's pre-acquisition market value of its lack of liquidity and the capital resources required to maintain production and reserves, and further develop and explore its inventory of prospects.

The ***foreign exchange gain*** in the three months ended September 30, 2011 was due to the strengthening of the U.S. dollar in relation to the Colombian Peso and included the translation of deferred tax liabilities denominated in Colombian pesos.

Income tax expense for the third quarter of 2011 amounted to $30.0 million compared with $5.9 million in the third quarter of 2010. For the nine months ended September 30, 2011, income tax expense amounted to $84.7 million compared with $29.9 million in the comparable nine month period in 2010. In 2011, higher income before income taxes resulted in increased income taxes.

Net income was $49.1 million, or $0.18 per share basic and $0.17 per share diluted, in the third quarter of 2011 compared with a net loss of $3.3 million, or $0.01 per share basic and diluted, for the third quarter of 2010. Increased oil and natural gas sales due to increased production and higher realized crude oil prices and a foreign exchange gain were partially offset by increased operating, DD&A and G&A expenses.

For the nine months ended September 30, 2011, net income increased to $94.4 million, a 292% improvement from the comparable nine month period in 2010. On a per share basis, net income improved to $0.35 per share basic and $0.34 per share diluted from $0.10 basic and $0.09 diluted per share in the comparable period of 2010. Increased oil and natural gas sales due to increased production and higher crude oil prices, a $21.7 million gain recorded on the Petrolifera acquisition and lower foreign exchange losses were partially offset by a $40.8 million impairment loss recorded in the Peru cost center, a Colombian equity tax of $8.3 million and increased operating, DD&A and G&A expenses.

Balance Sheet Highlights:

Cash and cash equivalents of $226.4 million at September 30, 2011 decreased from $355.4 million at December 31, 2010 primarily as a result of $248.8 million of capital expenditures and an increase in non-cash working capital of $87.4 million, partially offset by funds flow from operations of $227.9 million, during the nine months ended September 30, 2011. Gran Tierra Energy is debt free.

Production Highlights:

Average daily consolidated light and medium crude oil and natural gas production for the three months ended September 30, 2011 increased 36% to a record 18,369 BOEPD NAR compared with 13,536 BOEPD NAR for the same period in 2010. Third quarter production was impacted by additional production from existing field developments, new production from recent field discoveries, and production from the acquired assets of Petrolifera. Light and medium crude oil represented approximately 95% of production for the three months ended September 30, 2011.

Average daily Colombian production of light and medium crude oil and natural gas for the three months ended September 30, 2011 increased 16% to 14,864 BOEPD NAR compared with 12,810 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 Colombia production for the three months ended September 30, 2011.

Average daily Argentine production of light and medium crude oil and natural gas for the quarter ended September 30, 2011 increased 351% to 3,272 BOEPD NAR compared with 726 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 75% of Argentine production for the three months ended September 30, 2011.

Average daily Brazil production of light and medium oil for the quarter ended September 30, 2011 averaged 233 BOPD NAR representing the first full quarter of production from Gran Tierra Energy's Brazil assets.

Average daily consolidated production in October, 2011 was approximately 18,945 BOEPD NAR. This included approximately 15,631 BOPD NAR of crude oil in Colombia, approximately 140 BOPD NAR of crude oil in Brazil, and approximately 2,167 BOPD NAR of crude oil in Argentina and approximately 4.9 MMCFD NAR of natural gas (or approximately 810 BOEPD NAR). Natural gas production included approximately 4.0 MMCFD NAR (or 664 BOEPD) in Argentina and 0.9 MMCFD (or 146 BOEPD) in Colombia.

Production for the nine months ended September 30, 2011 averaged 17,033 BOEPD NAR.

Capital Program and Operations Update

Gran Tierra Energy's capital program outlook for 2011 of $379 million includes $233 million for Colombia, $61 million for Brazil, $42 million for Argentina, and $43 million for Peru. Of this, $254 million is for drilling, $56 million is for facilities and pipelines and $69 million for geological and geophysical ("**G&G**") expenditures. Of the $254 million allocated to drilling, approximately $113 million is for exploration, $48 million is for acquisitions and the balance is for delineation and development drilling. Acquisition expenditures include $28 million for the June 2011 acquisition of a 70% participating interest in four blocks in the onshore Recôncavo Basin of Brazil and $20 million for the recently announced acquisition of an interest in the Llanos 22 block in Colombia.

Gran Tierra Energy continues to anticipate the 2011 capital program will be funded from cash flow from operations and cash on hand.

COLOMBIA

Exploration

Initial testing of the Melero-1 oil discovery, located on the Garibay Block in the Llanos Basin, has been completed. Four drill stem tests were run and average gross production of 922 BOPD of 16.8 degrees API gravity oil with a 0.3% water cut was obtained from an interpreted 16 feet of net pay in the Upper Mirador reservoir. This well is currently suspended for long-term testing expected to begin in January 2012.

The Rumiyaco-1 oil exploration well in the Rumiyaco Block in the Putumayo Basin began drilling on October 9, 2011 and is currently drilling ahead. This prospect lies in the southern Putumayo Basin approximately 85 kilometers southwest of Gran Tierra Energy's existing producing properties, and between two existing oil producing trends. The well is expected to reach total measured depth of approximately 10,700 feet and take approximately 45 days to drill.

The Ramiriqui-1 oil exploration well in the Llanos-22 block operated by CEPSA (GTE 45% working interest) is currently drilling ahead in the Llanos foothills trend and is expected to reach total depth in December.

The Pacayaco-1 ST1 oil exploration well on the Chaza block of the Putumayo basin is expected to spud in December, 2011.

The Turpial-1 oil exploration well in the Turpial Block in the Middle Magdelena Basin has been deferred to 2012.

La Vega Este-1 oil exploration well in the Azar Block has been deferred to 2012.

Moqueta Field, Chaza Block

During the third quarter of 2011, Gran Tierra Energy continued long-term testing to evaluate the reservoir productivity and pressure response of the Moqueta oil discovery through a recently constructed 6 inch diameter, 8 kilometer flow line. 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 reservoir pressure support. Average production from the Moqueta field is expected to remain modest, at approximately 500 BOPD until gas compression facilities are installed in 2012. 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 fourth quarter to assist in refining the mapping of the Moqueta field and planning further delineation and development drilling.

The Moqueta-6ST1 delineation well was drilled and reached total measured depth of 5,724 feet in basement after encountering oil shows in the Kg Sandstone, the U Sandstone, the T Sandstone and the Caballos reservoirs. The primary T Sandstone and Caballos reservoirs were encountered approximately 250 feet deeper than the equivalent reservoirs in Moqueta-5. Electric log interpretations and pressure gradient data indicate oil pay in the T Sandstone and Caballos reservoirs. A testing program has been initiated to confirm the nature of the fluids and reservoir productivity of the sandstones, with results expected in approximately one month.

Planning is underway for additional development drilling in 2012 to further appraise and develop this growing discovery.

Costayaco Field, Chaza Block, Putumayo Basin

The Costayaco-14 development well was drilled and reached a total measured depth of 9,762 feet. This well is a water injector for pressure support in the Costayaco field and injection testing has been initiated successfully.

Brillante Field, Sierra Nevada Block, Lower Magdalena Basin

Development of the Brillante gas field, discovered in 2010, is advancing. A new 275 square kilometer 3D seismic program was acquired in the third quarter of 2011, and is being used to map the field and additional exploration prospects nearby. Approximately 222 square kilometers of data was acquired in the Sierra Nevada license and 53 square kilometers in the Magdalena license.

The Brillante SE-2x well began drilling on October 20, 2011. This is the first of two delineation wells that are scheduled to be drilled in late 2011 and early 2012, with the intent to define adequate reserves to justify the construction of a gas pipeline and commit to long term gas sales contracts. The well is expected to reach total measured depth of approximately 6,000 feet and take approximately 25 days to drill.

The field is currently producing a nominal volume of gas which is transported by a third party utilizing compressed natural gas trucks. Gran Tierra Energy plans to increase this production to approximately 2 million standard cubic feet of gas per day in the first quarter of 2012.

Garibay Block, Llanos Basin

The Jilguero-2 appraisal well on the Garibay Block was spud on September 10, 2011. This well is located at the Jilguero oil discovery made by the joint venture between a subsidiary of Gran Tierra Energy and CEPSA Colombia S.A., a wholly-owned subsidiary of CEPSA. The Jilguero-2 well reached total measured depth of 9,855 on October 13, 2011 and is currently under evaluation.

BRAZIL

BM-CAL-10 Block, Camamu-Almada Basin

Statoil commenced drilling operations on October 1, 2011 on the 1-STAT-7-BAS exploration well. The well is located in the deep water portion of the Camamu Basin at a water depth of 6,250 feet, directly offshore from Salvador and the onshore Recôncavo Basin where Gran Tierra Energy's operated acreage is located.

REC-T-142 Block, Recôncavo Basin

Drilling of the 1-GTE-01-BA oil exploration well began on October 7, 2011 and is drilling ahead. The well is located in Block REC-T-142 in the prolific onshore Recôncavo Basin. This operation is commencing with the drilling of a vertical pilot hole from which core will be acquired from the prospective reservoir section. The pilot well is planned to reach a total measured depth of approximately 6,070 feet and take approximately 35 days to drill.

Upon completion of the well and subsequent evaluation to determine if adequate reservoir is present, a drilling rig is planned to return late in 2011 to drill a horizontal sidetrack from the pilot hole at the optimum depth to test the productivity of the sandstone reservoir target. This will be the first of three horizontal wells Gran Tierra Energy plans to drill in late 2011 and continuing into the first quarter of 2012.

REC-T-129 Block, Recôncavo Basin

Drilling of the 1-GTE-2-BA oil exploration well is expected to begin in early November, 2011. This well is expected to reach a total measured depth of approximately 6,410 feet and take approximately 30 days to drill.

PERU

Block 95, Marañon Basin

A drilling location has been identified for the first exploration well on Block 95, with civil construction initiated in the third quarter of 2011**.** Drilling is expected to be undertaken in 2012, pending regulatory approvals. 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 / Ucayali 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 in 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 geophysical acquisition in 2012.

Blocks 122 and 128, Marañon Basin

Documentation for the relinquishment of Blocks 122 and 128 has been submitted to regulatory authorities for approval.

Blocks 123, 124 and 129, Marañon Basin

Gran Tierra Energy is evaluating the prospectivity of Blocks 123 and 129 based on recently acquired 2D seismic data together with its joint venture partners ConocoPhillips (Operator) and Talisman. Additional infill 2D seismic data is planned to be acquired in late 2011 in those two blocks. Documentation for the relinquishment of Block 124 has been submitted to regulatory authorities for approval.

ARGENTINA

Santa Victoria Block, Noroeste Basin

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

Puesto Morales / Puesto Morales Este Blocks, Neuquen Basin

Gran Tierra Energy has completed its workover program on 16 wells and based on successful results, has added an additional two workovers in the fourth quarter of 2011. Geological and geophysical studies are ongoing to optimize the location of four new development wells planned for the fourth quarter 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.

Rinconada Norte Block, Neuquen Basin

The first of three exploration wells to be drilled in the Rinconada Norte Block located in the Neuquen Basin of Argentina has made a new discovery of oil, testing 1,023 BOEPD.

The RNx-1004 well flowed a total combined test rate of approximately 944 barrels of 29.6 degree API gravity oil per day and approximately 0.5 MMCFD of natural gas for a total of approximately 1,023 BOEPD from two intervals tested separately in the Precuyo formation. This well also flowed 43 barrels of water per day or a 4% water cut.

Americas Petrogas Argentina S.A., the wholly-owned subsidiary of America Petrogas Inc., is the operator of the Rinconada Norte Block with a 65% working interest upon completing certain work program obligations, while Gran Tierra Energy, through an indirect wholly owned subsidiary holds a 35% working interest.

Conference Call Information:

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

President and Chief Executive Officer, Dana Coffield and Chief Financial Officer, Martin Eden 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 1-866-831-6291 (domestic) or 1-617-213-8860 (international), pass code 88552142. 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 November 8, 2011. To access the replay dial 1-888-286-8010 (domestic) or 617-801-6888 (international) pass code 10740742.

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", "plan", "outlook", "anticipate", "schedule", "will" 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: sources of funding for Gran Tierra Energy's capital program; Gran Tierra Energy's planned capital program and the allocation of capital, including the outlook provided under the caption "Capital Program and Operations Update"; production expectations and projections; the timing of the resumption of deferred operations; expected seismic geophysical acquisitions; the fulfillment of agreed upon work commitments; Gran Tierra Energy's planned exploration, drilling (including horizontal, delineation and development drilling), testing and construction operations and expected results from those operations, including as more particularly 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, expectations and 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 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, 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 August 9, 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 September 30,		Nine Months Ended September 30,	
	2011	**2010**	**2011**	**2010**
REVENUE AND OTHER INCOME				
Oil and natural gas sales	**$ 150,824**	$ 84,110	**$ 434,784**	$ 260,759
Interest	**209**	459	**888**	1,034
	151,033	84,569	**435,672**	261,793
EXPENSES				
Operating	**21,727**	19,401	**61,283**	39,028
Depletion, depreciation, accretion, and impairment	**49,852**	35,254	**160,174**	107,238
General and administrative	**16,316**	10,977	**46,364**	27,848
Equity tax	**-**	-	**8,271**	-
Financial instruments gain	**-**	-	**(1,522)**	(44)
Gain on acquisition	**-**	-	**(21,699)**	-
Foreign exchange (gain) loss	**(15,921)**	16,320	**3,773**	33,740
	71,974	81,952	**256,644**	207,810
INCOME BEFORE INCOME TAXES	**79,059**	2,617	**179,028**	53,983
Income tax expense	**(29,974)**	(5,894)	**(84,663)**	(29,929)
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)	**49,085**	(3,277)	**94,365**	24,054
RETAINED EARNINGS, BEGINNING OF PERIOD	**103,377**	48,256	**58,097**	20,925
RETAINED EARNINGS, END OF PERIOD	**$ 152,462**	$ 44,979	**$ 152,462**	$ 44,979
NET INCOME (LOSS) PER SHARE — BASIC	**$ 0.18**	$ (0.01)	**$ 0.35**	$ 0.10
NET INCOME (LOSS) PER SHARE — DILUTED	**$ 0.17**	$ (0.01)	**$ 0.34**	$ 0.09
WEIGHTED AVERAGE SHARES OUTSTANDING - BASIC	***277,608,572***	*254,951,642*	***272,006,775***	*252,487,462*
WEIGHTED AVERAGE SHARES OUTSTANDING - DILUTED	***284,026,236***	*254,951,642*	***279,485,894***	*260,294,503*

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

	September 30, 2011	December 31, 2010
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 226,370**	$ 355,428
Restricted cash	**2,990**	250
Accounts receivable	**143,533**	43,035
Inventory	**6,334**	5,669
Taxes receivable	**21,200**	6,974
Prepaids	**2,051**	1,940
Deferred tax assets	**2,504**	4,852
Total Current Assets	**404,982**	418,148
Oil and Gas Properties (using the full cost method of accounting)		
Proved	**579,212**	442,404
Unproved	**430,870**	278,753
Total Oil and Gas Properties	**1,010,082**	721,157
Other capital assets	**7,325**	5,867
Total Property, Plant and Equipment	**1,017,407**	727,024
Other Long Term Assets		
Restricted cash	**1,435**	1,190
Deferred tax assets	**13,100**	-
Other long term assets	**250**	311
Goodwill	**102,581**	102,581

Total Other Long Term Assets		**117,366**		104,082
Total Assets	**$**	**1,539,755**	**$**	1,249,254
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current Liabilities				
Accounts payable	**$**	**41,394**	$	76,023
Accrued liabilities		**63,296**		32,120
Taxes payable		**69,427**		43,832
Asset retirement obligations		**357**		338
Total Current Liabilities		**174,474**		152,313
Long Term Liabilities				
Deferred tax liabilities		**211,245**		204,570
Equity tax payable		**6,783**		-
Asset retirement obligations		**10,787**		4,469
Other long term liabilities		**955**		1,036
Total Long Term Liabilities		**230,470**		210,075
Commitments and Contingencies				
Subsequent Events				
Shareholders' Equity				
Common shares		**5,971**		4,797
(261,053,809 and 240,440,830 common shares and 16,575,092 and 17,681,123 exchangeable shares, par value $0.001 per share, issued and outstanding as at September 30, 2011 and December 31, 2010 respectively)				
Additional paid in capital		**975,298**		821,781
Warrants		**1,780**		2,191
Retained earnings		**152,462**		58,097
Total Shareholders' Equity				

	1,135,511	886,866
Total Liabilities and Shareholders' Equity	$ 1,539,755	$ 1,249,254

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

	Three Months Ended September 30		Nine Months Ended September 30	
	2011	**2010**	**2011**	**2010**
Operating Activities				
Net income (loss)	$ **49,085**	$ (3,277)	$ **94,365**	$ 24,054
Adjustments to reconcile net income (loss) to net cash provided by operating activities:	**-**	-		
Depletion, depreciation and accretion and impairment	**49,852**	35,254	**160,174**	107,238
Deferred taxes	**(10,082)**	(9,995)	**(15,488)**	(28,026)
Stock based compensation	**3,438**	2,064	**9,383**	5,424
Unrealized gain on financial instruments	**-**	-	**(1,354)**	(44)
Unrealized foreign exchange (gain) loss	**(15,966)**	13,139	**136**	27,136
Settlement of asset retirement obligations	**-**	(263)	**(309)**	(263)
Equity taxes payable long-term	**(3,510)**	-	**2,741**	-
Gain on acquisition	**-**	-	**(21,699)**	-
Net changes in non-cash working capital	**-**	-		
Accounts receivable	**10,941**	240	**(90,014)**	(35,195)
Inventory	**217**	488	**4**	1
Prepaids	**435**	387	**224**	10
Accounts payable and accrued liabilities	**(4,766)**	5,814	**(7,287)**	(8,402)
Taxes receivable and payable	**27,778**	4,568	**9,658**	9,455
Net cash provided by operating activities	**107,422**	48,419	**140,534**	101,388

Investing Activities				
Restricted cash	**8,399**	(5)	**260**	656
Oil and gas property expenditures	**(69,665)**	(38,040)	**(248,820)**	(88,954)
Proceeds from disposition of oil and gas property	**-**	400	**-**	1,600
Cash acquired on acquisition	**-**	-	**7,747**	-
Proceeds on sale of asset backed commercial paper	**-**	-	**22,679**	-
Long term assets and liabilities	**50**	8	**63**	28
Net cash used in investing activities	**(61,216)**	(37,637)	**(218,071)**	(86,670)
Financing Activities				
Settlement of bank debt	**(31,250)**	-	**(54,103)**	-
Proceeds from issuance of common stock	**59**	4,388	**2,582**	22,892
Net cash (used in) provided by financing activities	**(31,191)**	4,388	**(51,521)**	22,892
Net increase (decrease) in cash and cash equivalents	**15,015**	15,170	**(129,058)**	37,610
Cash and cash equivalents, beginning of period	**211,355**	293,226	**355,428**	270,786
Cash and cash equivalents, end of period	**$ 226,370**	$ 308,396	**$ 226,370**	$ 308,396
Cash	**$ 84,146**	$ 223,320	**$ 84,146**	$ 223,320
Term deposits	**142,224**	85,076	**142,224**	85,076
Cash and cash equivalents, end of period	**$ 226,370**	$ 308,396	**$ 226,370**	$ 308,396
Supplemental cash flow disclosures:				
Cash paid for interest	**$ 260**	$ -	$ **1,604**	$ -
Cash paid for taxes	**$ 105**	$ 9,512	**$ 64,310**	$ 42,024
Non-cash investing activities:				
Non-cash working capital related to property, plant and equipment	**$ 26,423**	$ 30,747	**$ 26,423**	$ 30,747