

## **BPZ Energy Secures Commitments for Senior Debt Credit Facility**

HOUSTON, Jul 07, 2009 (BUSINESS WIRE) -- BPZ Resources, Inc. (NYSE Amex:BPZ) announced today that its subsidiary, BPZ Exploracion & Produccion S.R.L., has secured commitments for a \$70 million reserve based credit facility. The syndication of this Facility is led by Natixis, a major French bank. The other institutions participating in the syndicate include the International Finance Corporation (IFC), Scotiabank and Banco de Crédito del Perú.

The Facility will provide the Company's subsidiary, BPZ Exploracion & Produccion, S.R.L., with a revolving [line of credit](#) for capital expenditures and working capital and will be secured by a pledge of the ownership units of the borrower. The Facility will be utilized as needed to meet the Company's 2009 capital expenditure budget for oil development at the Corvina and Albacora fields, both of which are located in offshore Block Z-1 in Northwest Peru. The Facility is a senior secured revolving credit facility maturing four years from the date of closing, and bears interest at LIBOR plus 7.0%. A commitment fee of 3.50% will be paid on the unutilized portion of the borrowing base. The \$70 million Facility includes the \$15 million previously received under the IFC Senior Note. The initial borrowing capacity available under the Facility is expected to be approximately \$50 million, inclusive of the already funded \$15 million under the IFC Senior Note. The Facility is subject to a semi-annual borrowing base determination based on the value of oil reserves from the Corvina field and may, in the future, include reserves booked from the Albacora field.

Closing of the credit facility is dependent upon the successful negotiation of the related loan documents, and funding is predicated on the satisfaction of certain customary conditions precedent as will be specified in the loan documents. Both the Commercial Banks and IFC facilities will be governed by a single Common Terms Agreement ensuring the efficient administration of the Facility. Closing of this financing is expected during the third quarter of this year. However, the Company cannot provide assurance that the financing will close when anticipated, if at all.

Ed Caminos, Chief Financial Officer commented, "We are very pleased to announce that we have secured total firm credit commitments of \$70 million. In this environment of tight credit availability, we believe today's announcement indicates confidence in BPZ's underlying asset base and core business strategy from our banking group. We plan to continue to balance our 2009 capital expenditures with free cash flow, funds available from our recent registered offering and to the extent necessary by drawing on the credit availability."

### **About BPZ Energy**

Houston-based BPZ Energy is an oil and gas exploration and production company which has exclusive license contracts for oil and gas exploration and production covering approximately 2.4 million acres in four properties in northwest Peru. It also owns a ten percent working interest in a producing property in southwest Ecuador. The Company is currently executing the development of the Corvina oil discovery, the redevelopment of the Albacora oil field, and the exploration of Blocks XIX, XXII and XXIII, in parallel with the execution of a gas-to-power project for sale of electric power in Peru and the development of a regional gas marketing strategy. The Company's website at [www.bpzenergy.com](http://www.bpzenergy.com) provides additional information about the Company's plans, including photographs and other information with respect to its operations.

### **Forward-Looking Statements**

*This Press Release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements are based on our current expectations about our company, our properties, our estimates of required capital expenditures and our industry. You can identify these forward-looking statements when you see us using words such as "expect," "anticipate," "estimate," "believes," "plans" and other similar expressions. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially including, among other things, the success of our financing effort, including statements related to the proposed offering, securing sufficient commitments, final documentation and execution of debt financing documents with IFC and Natixis, use of proceeds, accuracy of well test results, satisfaction of well test period requirements, well refurbishment efforts, successful production of indicated reserves, and the successful management of our capital development project and other normal business risks. We undertake no obligation to publicly update any forward-looking statements for any reason, even if new information becomes available or other events occur in the future. We caution you not to place undue reliance on those statements.*

SOURCE: BPZ Resources, Inc.

BPZ Resources, Inc.  
Director of Investor Relations and Corporate Communications  
Greg Smith, 281-752-1240