

PETAQUILLA MINERALS LTD.

Corporate Disclosure Policy

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1. **General Statement of Policy**

Commitment

Petaquilla Minerals Ltd. ("Petaquilla" or "the Company") is committed to a policy which provides timely, consistent and fair disclosure of corporate information to enable informed and orderly market decisions by investors.

This policy has been approved by Petaquilla's Board of Directors.

Intent

The intent of this policy is to:

- raise awareness about, and focus management and employees on, disclosure requirements and practices;
- provide guidance and structure in disseminating corporate information to, and in dealing with, investors, analysts, media representatives and the public (the investing public);
- ensure compliance with legal and regulatory requirements on disclosure.

Related Rules and Guidelines

This policy takes into consideration the following rules and guidelines:

- securities law governing corporate disclosure, confidentiality and employee trading, including the Canadian Securities Administrators (CSA) National Policy 51-201 *Disclosure Standards* as well as the rules and regulations of the U.S. Securities and Exchange Commission;
- the Toronto Stock Exchange (TSX) *Policy Statement on Timely Disclosure* and related *Electronic Communications Disclosure Guidelines*; and
- the rules of the American Stock Exchange (AMEX).

Application

This policy applies to the conduct of directors, officers, managers and employees of Petaquilla and to all methods that Petaquilla uses to communicate with the investing public, including:

- Written statements including Annual Reports, Interim Reports, news releases, letters to shareholders, speeches by senior management, investor presentations including Power Point presentations or similar electronic files, e-mail messages and the Company's Internet web page;
- Oral statements including individual or group meetings, telephone conversations, interviews and news conferences.

Scope

This policy gives specific guidance in the following areas:

- disclosing material information
- maintaining the confidentiality of information
- disseminating information
- responding to market rumours
- forward looking information
- communicating electronically
- employee trading

2. Policy Administration

Disclosure Committee

A Disclosure Committee oversees Petaquilla's corporate disclosure practices and ensures implementation and adherence to this policy. The Committee's responsibilities include:

- maintaining an awareness and understanding of governing disclosure rules and guidelines, including any new or pending developments
- developing and implementing procedures to regularly review, update and correct corporate disclosure information, including information in Power Point presentations as well as information on the Internet web site
- bringing this policy to the attention of Petaquilla's directors, management and staff on a regular basis
- monitoring compliance with this policy and undertaking reviews of any violations, including assessment and implementation of appropriate consequences and remedial actions
- reviewing this policy at least annually and updating as necessary and appropriate to ensure compliance with prevailing rules and guidelines
- ascertaining whether corporate developments constitute material information and, if so, ensuring compliance with the procedures outlined in this policy

Disclosure Committee Membership

The Disclosure Committee includes the following members:

- President
- Chief Financial Officer
- One independent Director

and will be advised by corporate counsel.

The Chief Financial Officer will serve as the primary contact person for the Disclosure Committee and will engage the Committee as necessary and appropriate. In the event of the absence of the Chief Financial Officer, any other member of the Committee may be contacted on matters referenced in this policy.

Authorized Spokespersons

Primary authorized spokespersons responsible for communicating Company information to the investing public include:

- President of Petaquilla
- Chief Financial Officer of Petaquilla
- Manager of Corporate Communications of Petaquilla

These spokespersons may, from time to time, designate others to speak on behalf of the Company or to respond to specific inquiries, where doing so facilitates effective communication with the investing public. Generally, however, such designations will be limited so as to maximize consistency of communications via the above listed spokespersons.

Employees other than authorized spokespersons should not respond to requests for Company information from the investing public unless specifically asked to do so by an authorized spokesperson. Any such requests should be referred to an authorized spokesperson.

It is not the intent of this policy to restrict employees from speaking at conferences or to outside parties where doing so serves a legitimate business purpose. However, when doing so, employees must ensure that any Company information provided is in compliance with this policy and should contact the Chief Financial Officer or his designate if in doubt about the appropriateness of supplying certain information.

Business Unit Responsibilities

It is essential that the Disclosure Committee and authorized spokespersons be fully informed of all Company developments that could potentially have an effect on the disclosure process. Consequently, it is the responsibility of all divisions and affiliates of Petaquilla to keep the Committee and spokespersons fully apprised of all significant Company developments so as to:

- facilitate determinations of materiality and appropriateness and timing for public disclosure of the information, or whether the information should remain confidential
- ensure appropriate understandings of significant developments and updates which may be germane to ongoing communications with the investing public
- ensure information provided to the investing public is current and accurate.

3. Material Information

Definition

In securities law, and for purposes of this policy, "material information" means:

"any information relating to the business and affairs of the company that, or the disclosure of which, results in, or would reasonably be expected to result in, a significant change in the market price or value of any of the company's securities"

This definition is herein interpreted to include any "material change" in the business that could have the same potential market effects.

Decisions on the materiality of information will be made within the context of Petaquilla's overall business affairs and dimensions. Such decisions require the exercise of experienced judgement and are the responsibility of the Disclosure Committee. In cases where such decisions about materiality are not clear and there is doubt as to whether disclosure should be made, Petaquilla will consult with the Market Surveillance Divisions/Stock Watch

Departments of the stock exchanges (the “Exchanges”) on which the Company’s shares are listed.

Disclosure

When information has been determined to be material, Petaquilla will immediately initiate a process to ensure full, true, plain and timely disclosure of that information via recognized news services.

This will always apply except in certain limited circumstances where immediate disclosure of material information would be unduly detrimental to the Company's interests (see section 4; Confidential Information).

Process and Responsibilities

All Petaquilla news releases, including releases of material information, will be issued by the Vancouver Office Manager and the Manager of Corporate Communications. When a decision has been made that information is material and will be disclosed, the following steps will be taken:

- A draft news release will be developed by individuals and departments in Petaquilla knowledgeable about the subject matter. In the case of technical geological or engineering data, the draft content shall be supplied by the Qualified Person and the Qualified Person shall approve in writing the news release content in its final form before dissemination.
- The draft news release will be reviewed by the Disclosure Committee to ensure it is in compliance with applicable securities laws and the Exchanges’ requirements. Written evidence of the review completion by the Disclosure Committee shall be retained by the Vancouver Office Manager.
- The Chief Financial Officer will have specific responsibility to review and validate all financial data contained in news releases and will ensure that disclosures are consistent with prevailing accounting standards and guidelines. The Chief Financial Officer shall evidence his review and validation in writing and this evidence shall be retained by the Vancouver Officer Manager.
- The Corporate Communications Department will have specific responsibility to ensure that the content of the release clearly and effectively communicates the intended substance and meaning of the information to the public. The Manager of Corporate Communications shall evidence in writing that he has confirmed that the content of the release contains clear and effective communications. This evidence shall be retained by the Vancouver Office Manager.
- The Board of Directors or the Audit Committee, as the case may be, will review all news releases containing material financial information.
- All news releases involving material information will also be reviewed and approved by Petaquilla’s President. Written evidence of their review shall be retained by the Vancouver Office Manager.

- Once the content of a news release has been agreed to and the required written approvals and/or evidence of review as provided for herein, the Vancouver Office Manager will advise the Market Surveillance Divisions/Stock Watch Departments of the Exchanges in advance as to the content and planned timing for the release.
- The Market Surveillance Divisions/Stock Watch Departments may, in turn, provide direction regarding the timing of the release (during or after market hours).
- After notification to the Exchanges and agreement on content and time timing of a news release, the Vancouver Office Manager will use a recognized wire service to disseminate the release and will file all material releases with relevant securities regulators. Under no circumstances shall an approved news release be altered, changed or amended by any party without the written approval of all the named parties set forth above.
- The Vancouver Office Manager will promptly post a copy of the disseminated news release on the Company's Internet web site and obtain written confirmation from the Web Master of having posted the news release to the Company's web site.

4. Confidential Information

Application

In limited circumstances, Petaquilla senior management, in consultation with the Disclosure Committee, may delay disclosure of material information where immediate or premature release of the information would be unduly detrimental to the interests of the Company. Such circumstances will be infrequent and in the necessary course of business, and justified by assessment that harm to Petaquilla's business from immediate disclosure will outweigh the general benefit to the market of immediate disclosure. In such cases, Petaquilla may withhold public disclosure for a limited period of time but it must ensure the information remains confidential.

Responsibilities and Procedures

When material information is being temporarily withheld, Petaquilla will take the following precautions to keep the information confidential:

- the information will only be disclosed to Company officers, employees or advisors, the controlling shareholder (if any) and credit rating agencies in the necessary course of business and on a "need to know" basis;
- if and when the information is disclosed in the necessary course of business, recipients of such information will be educated and regularly reminded of the need to keep it confidential inside and outside the Company;
- confidentiality agreements will be used to ensure protection and confidentiality of the information by third parties;

- reasonable care will be taken to ensure appropriate security and protection of the information.

These responsibilities and procedures also apply during the period of time when news releases involving material information are being developed, until the information has been released and disseminated to the investing public.

When the confidential material information being withheld involves a material change, Petaquilla will file a report with the Exchanges and relevant securities regulators on a confidential basis in accordance with applicable securities legislation.

If, at any time or in any circumstance, confidential material information is inadvertently divulged in a way that results in selective disclosure to any member of the investing public, the Disclosure Committee will initiate a process to ensure full public disclosure and dissemination.

5. Disseminating Information

General Application

The following principles and practices will be applied when disseminating corporate information to the investing public:

- Petaquilla will disseminate corporate information in an equitable manner and will strive to respond in a timely manner to all legitimate requests for information.
- Material information will in all cases be disseminated broadly and publicly via recognized news services and other means.
- Petaquilla will not provide confidential, proprietary or material, non-public information to the investing public, and will deny any such requests.
- Petaquilla recognizes that discussions and meetings with the investing public are an important part of the Company's investor relations program. Petaquilla will provide non-material and publicly disclosed information in individual and group discussions and meetings where doing so facilitates better understandings about the business and affairs of the Company. Generally, such information will be factual and non-speculative in nature and will not in any way significantly impact, impair or be detrimental to the Company's performance and effectiveness.
- Petaquilla will not discriminate or differentiate amongst recipients of non-public, non-material information and will respond in the same manner to all requests for such information. This means that Petaquilla will provide the same information and details that it has provided to analysts or fund managers, to any other individual market participant or media representative, upon request.
- During the period from the first day of the month following each quarter until the public release of quarterly financial results, Petaquilla will impose a "quiet period" during which it will refrain from providing any information or guidance on matters potentially impacting earnings outlooks.

6. Communicating with Analysts and Investors

One of the primary responsibilities of Petaquilla's President, Petaquilla's Manager of Corporate Communications and Petaquilla's Chief Financial Officer is to communicate with financial analysts, investors and prospective investors, and to provide information about the Company to them.

Petaquilla's President and Petaquilla's Manager of Corporate Communications and Petaquilla's Chief Financial Officer are also responsible for preparing the members of senior management, and developing related presentation materials, for meetings with financial analysts and investors. Whenever possible, the Chief Financial Officer will also attend and participate in such meetings.

It is the responsibility of Petaquilla's President and Petaquilla's Manager of Corporate Communications to ensure that no material, nonpublic information is included in related presentation materials (including Power Point presentations) or is otherwise selectively disclosed at meetings with financial analysts and investors. Petaquilla's Chief Financial Officer shall approve, in writing, all proposed Power Point presentations to be used or disclosed at meetings with financial analysts and investors. If material, non-public information is inadvertently disclosed at such a meeting, Petaquilla's President and Petaquilla's Manager of Corporate Communications will take immediate action to achieve broad, public dissemination of the information.

Presentation materials from recent meetings with financial analysts and investors will be posted on Petaquilla's Internet web site as soon as practical after the presentation has been made. Hard copies of such presentations will also be made available to the investing public, on request.

Petaquilla employees are generally discouraged from discussing Petaquilla business matters with financial analysts and investors. However, if such discussions inadvertently occur, the employee is responsible for immediately advising Petaquilla's President, or in his absence, Petaquilla's Manager of Corporate Communications, or in his absence, Petaquilla's Chief Financial Officer, or in his absence, another member of the Disclosure Committee, about the nature and content of the discussion. Petaquilla's President, or in his absence, Petaquilla's Manager of Corporate Communications, or in his absence, Petaquilla's Chief Financial Officer will then ascertain whether any material, non-public information was disclosed and, if so, will take immediate action to achieve full public disclosure.

The Chief Financial Officer will review financial analysts' models and reports on request, and will solicit other Petaquilla inputs and involvement in the review process as needed. Related feedback to analysts will be limited to comments and directional guidance respecting factual information and underlying assumptions so as to point out errors, omissions or inconsistencies with the public disclosure record of the Company.

In communicating with analysts, Petaquilla will not confirm or attempt to influence analysts' conclusions or opinions, speculate about future business plans or activities, provide specific "bottom-line" financial expectations for the Company or express comfort with analysts' models and earnings estimates.

Petaquilla will not in any circumstance restrict or withhold information from any analyst that it has provided to others, nor will the Company pressure any financial analyst to change a recommendation or rating.

Petaquilla will not distribute financial analysts' reports outside the Company, post them on its Internet web site or otherwise refer to analysts' ratings or opinions in external communications or presentations. Financial analysts' reports on Petaquilla and other companies will be periodically distributed and referred to inside the Company. Petaquilla will provide a complete list of analysts known to be covering the Company to interested persons, on request.

7. Communicating with the Media

One of the primary responsibilities of the Petaquilla's President and Petaquilla's Manager of Corporate Communications is to communicate with media representatives, community representatives and the general public, and to provide information about the Company to them.

The Petaquilla's President and Petaquilla's Manager of Corporate Communications are also responsible for preparing senior management and developing related speeches, handouts and other materials for news conferences, interviews and meetings with the media and the public. In doing so, they will consult with and engage members of the Disclosure Committee as necessary to ensure that no material, non-public information is included in related speeches and materials.

Whenever possible, Petaquilla's President and Manager of Corporate Communications will participate in news conferences, interviews and meetings. If material, non-public information appears to have been inadvertently disclosed at such events, Petaquilla's President, or in his absence, the Manager of Corporate Communications will consult with members of the Disclosure Committee, and where this is confirmed, immediate action will be taken to achieve full public disclosure of the information.

Petaquilla will not provide material information to the media on an exclusive or selective basis, and will not under any circumstances provide material information to the media on upcoming events or announcements before it is publicly released.

8. Responding to Market Rumours

It is Petaquilla's policy not to comment on market rumours or speculation and Company spokespersons will respond consistently by saying, "It is our policy not to comment on market rumours or speculation".

If, however, the Company becomes aware of a rumour about a material change, or about material information that is being withheld from public disclosure under confidentiality privileges, it will consult with the Market Surveillance Divisions/Stock Watch Departments of the Exchanges for guidance on the matter. If Petaquilla, an Exchange, or a securities regulator feels that a statement in response to a market rumour is warranted, the Disclosure Committee will consider the matter and make a recommendation to the President as to the nature, extent and timing of any Company response.

Company directors, officers, employees and advisors are bound by this policy and by other means to maintain the confidentiality of material, non-public information (see Section 4; Confidential Information). Where it becomes apparent that one of these parties is the source of a market rumour involving such information, the Disclosure Committee will review the matter and recommend a course of action as to appropriate consequences and remedial measures.

9. Forward Looking Information

Petaquilla will not provide forecasts of future earnings or other financial results. Petaquilla will provide sufficient forward-looking information and guidance to the investing public to enable reasoned evaluations of the Company and its future performance prospects. Such information could include guidance and/or forecasts respecting volumes, expenses, capital expenditures, new projects, fiscal terms and market, commercial and technical considerations. Generally, such information and guidance will be consistent with and complementary to information that has been otherwise provided via timely disclosure documents such as Annual Reports, News Releases and Interim Reports. In no circumstance will any material forward-looking information be provided in advance of its general public disclosure.

Documents containing forward-looking information will be accompanied by a disclaimer cautioning the reader that there are risks and uncertainties that could cause actual results to differ materially from what is indicated in the document. When making oral forward-looking statements, reasonable care will be taken to also include appropriate reference to such risks and uncertainties in the discussion.

10. Electronic Communications

E-mail and Internet Use

Petaquilla views the Internet as a valuable tool and encourages employees to use it to learn, develop new skills and increase their knowledge and effectiveness. All Petaquilla employees with access to the Company's internal information network also have access to the world-wide internet. Employees are responsible and accountable for any and all actions they take on the Internet.

Amongst other things, Petaquilla's Internet policy and e-mail guidelines specifically prohibit using Internet e-mail to transmit or exchange confidential or critical Company information, except where a secured method is employed. More generally, Petaquilla considers Internet information and communication to be an extension of the corporate disclosure record. As such, Petaquilla's use of the Internet and e-mail is subject to the same disclosure rules, guidelines and procedures outlined in this policy for other means of disseminating corporate information.

While employees are not generally restricted from participating in Internet chat rooms, they are discouraged from participating in chat room discussions about Petaquilla's securities or its business plans and results. Such discussions would be inconsistent with this policy's intent to limit authorized spokespersons and could expose employees to risks and

consequences of inadvertently communicating or contributing to rumours about confidential, material information.

Internet Website

Petaquilla has an Internet website (www.petaquilla.com) that contains information about the Company, its capital structure and business, employment opportunities and other areas of interest to the public and other parties.

The Petaquilla web site also clearly distinguishes a separate "Investor Relations" section containing disclosure and other company information of interest to the investing public.

The "Investor Relations" section of Petaquilla's web site will contain all timely disclosure and material information documents, including:

- Annual Reports
- Quarterly (Interim) Reports
- Annual Information Forms
- News Releases
- Management Proxy Circulars

All timely disclosure and material information documents will be posted on Petaquilla's web site as soon as possible after release by the news wire service or filing with relevant securities regulators.

In addition, the "Investor Relations" section will contain supplemental, non-material information, including:

- Corporate Fact Sheets
- Investor Relations Presentations
- Management Speeches
- Other materials that may be distributed at meetings with investors

Supplemental, non-material information will be posted on the web site as soon as practical after it is available.

Generally, documents posted in the "Investor Relations" section of Petaquilla's web site will be posted in their entirety. Any exceptions will be noted. All information posted in this section will also be made available in hard copy, on request. An e-mail link to the Investor Relations department is included in the "Contact Us" section to facilitate requests for additional information and/or hard copies of materials.

Petaquilla recognizes the need for due diligence in maintaining, updating and clearly identifying the "vintage" of information on its web site. All timely disclosure and material

information documents will be clearly date identified and retained on the Petaquilla web site as part of the public disclosure record for a minimum period of two years. Under disclosure rules and guidelines, any changes or corrections to material Company information will be publicly released and added to this disclosure record.

Supplemental, non-material information such as Investor Presentations are generally materials designed to summarize and supplement public information about the Company for the benefit of investors. These materials are generally time-sensitive and any such material provided on the web site needs to be managed to ensure its currency and relevancy for investors. Supplemental, non-material information such as Investor Presentations will be clearly date "stamped" and will be maintained on the web site until such time as the information becomes outdated or is replaced. Petaquilla will only post Investor Presentations on its web site when they include significant changes or differences versus other presentations already posted on the site.

The Chief Financial Officer has ongoing responsibility for ensuring that information in the "Investor Relations" section of Petaquilla's web site is up-to-date. The Disclosure Committee has a broader, oversight responsibility for this section of the web site to ensure that appropriate standards of care are being applied for disclosures of information via this medium.

11. Special Relationship Parties (including employees) – Securities Trading

Application

Canadian and U.S. corporate and securities legislation prohibits any person or company in a special relationship with Petaquilla from:

- Purchasing or selling Petaquilla shares with knowledge of nonpublic material information
- Informing or tipping any other person of undisclosed material information unless the sharing of that information is in the necessary course of business. The meaning of "necessary course of business" must be determined in each case. The person receiving the undisclosed material information will also become an insider
- Engaging in short sales or dealing in calls or puts in respect of Petaquilla shares or shares of its affiliates

Persons considered to be in a special relationship with Petaquilla include:

- Insiders (directors, officers and others holding 10% or more of voting shares)
- Employees
- Persons who provide business or professional services to Petaquilla

- Any other person or company informed about nonpublic material information about Petaquilla by any of the above parties.

Trading Restrictions

Canadian and U.S. corporate and securities legislation applies to, and imposes insider trading obligations on Petaquilla employees.

The Company has provided the following direction to its employees:

- Employees who possess nonpublic material information are advised to not purchase or sell Petaquilla shares unless the information has been publicly disclosed and a reasonable time (generally two clear trading days) has passed following such disclosure.
- Employees are advised to not trade in shares of any other company if they have received undisclosed material information as a result of a business relationship with that company or from a person or company in a "special relationship" with that company.
- Employees are specifically restricted from trading in Petaquilla shares during "black out periods" when the trading window will be closed. The trading window closes seven business days before, and opens two trading days following, public release of the quarterly financial results.
- On occasion, certain employees are restricted from trading in Petaquilla shares (even when the trading window is open) when they possess knowledge about pending events or developments constituting material information about the Company.

Employees are also encouraged to seek advice from Petaquilla's President whenever unsure or in doubt about trading in certain situations. Related guidance and direction on insider trading is provided to employees in Petaquilla's Code of Ethics and related documents.

These trading restrictions are also observed by Petaquilla's Board of Directors

Effective Date

March 27, 2008