PETAQUILLA
MINERALS LTD.
PTQ - TSX

PRODUCTION: 80k – 90k oz Au For 2012 FY
GROWTH: Targeting 250k – 300k oz Au/yr by 2016

www.petaquilla.com

Petaquilla Minerals Ltd.
(the "Company")

FORWARD LOOKING STATEMENTS

The statements contained in this presentation that are not purely historical are forward-looking statements. Forward-looking statements may relate to the success of any of the Company's strategic initiatives, the Company's expectations, beliefs, growth and future prospects, and the Company's position in the market and future opportunities therein. Forward-looking statements may also include, without limitation, any express or implied statement relating to future events, industry performance, general business and economic conditions or circumstances, regulatory and legal requirements, and other matters, many of which are beyond the control of the Company. Forward-looking statements involve risks and uncertainties, which could cause actual results to differ materially from those projected. All forward-looking statements included in this presentation are based upon information available to the Company as of the date hereof and the Company does not undertake any obligations to update forward-looking statements should circumstances or management's beliefs or opinions change.

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Project Locations

- ■ **Molejon (PANAMA)**
- ■ **Lomero-Poyatos (SPAIN)**

Petaquilla Operations

PETAQUILLA GOLD, S.A.
(Gold Plant Operations)

Gold Production in Panama

IBERIAN RESOURCES CORP.
(Lomero-Poyatos)

Development in Spain and Portugal

PETAQUILLA MINERALS, SA.

AZUERO MINING DEVELOPMENT, S.A.

Copper and Gold Exploration

PANAMA DEVELOPMENT OF INFRASTRUCTURE, Ltd.
(Infrastructure Activities in Panama)

Spin-out to Shareholders

Directors and Officers

Richard Fifer (Director & Executive Chairman – Panama)
- B.S. Geology, B.S. Geophysical Engineering, MA Finance
- Founder of the Petaquilla Project
- Former President of the Panamanian State mining company, CODEMIN
- Former National Security Advisor to the Presidency of the Republic of Panama
- Former Governor of the Province of Cocle, Panama

Raul Ferrer (Director – Panama)
- Business Financial Advisor
- Former Financial Investment Director with Wall Street Securities (Panama)

David Kaplan (Director & Corporate Secretary – USA)
- Partner of Lascaux Advisors
- Former President of Physical Commodity Merchants LLC
- Former Portfolio Manager at LIM Advisors LLC
- Former VP of Gerald Metals, Inc.
- Former Financial Analyst/Trader with Glencore Ltd.
- Graduate of the Wharton School (University of Pennsylvania)

David Levy (Director – USA)
- Member of the Private Placement Group at Platinum Management (NY) LLC
- Specializes in structuring and negotiating financings at all levels of the capital structure
- Graduate with Honors from Sy Syms School of Business (Yeshiva University)

Rodrigo Esquivel – President (Panama)
- Partner and founder of Esquivel, Fernandez & Associates
- Panamanian lawyer with 20+ years of professional practice
- Former Executive Vice President of Exploraciones Geotecnologicas, S.A
- Former Advisor to Panama's Ministry of Finance and Treasury/Legal Adviser to the Ministry of Health

Joao Manuel – CEO (Portugal)
- Former COO of Petaquilla Minerals Ltd.
- Former CFO of Petaquilla Copper Ltd.
- Over 20 years management experience in large multinational corporations worldwide, including GE, ITT, Nokia.

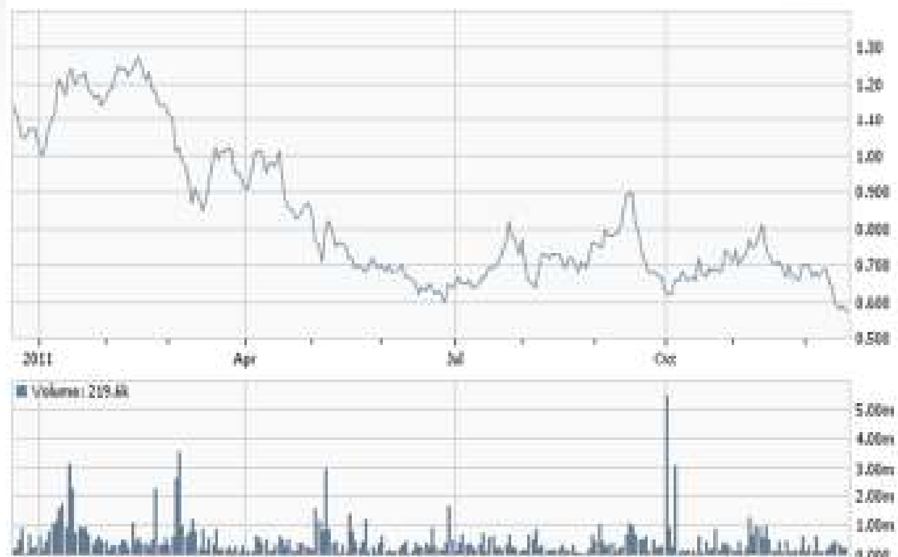
Ezequiel Sirotinsky – CFO (Panama)
- Certified Public Accountant
- Former Director of Finance of Silver Standard Resources Inc. (Mina Pirquitas Project)
- Former Finance Manager of AngloGold Ashanti Limited (Cerro Vanguardia Project)

Lazaro Rodriguez – COO (Panama)
- Former VP Security and VP Operations
- Former President and General Manager of a security company in Panama
- Former Advisor to the National Council for the Public Security and National Defense in Panama
- Former Commander of the Special Operations Unit in Panama's National Maritime Service

Present Share & Financial Structure

As of December 20, 2011:

Share Price	$0.57
Shares Outstanding	221M
Warrants and Options	54M
Fully Diluted	275M
Market Cap	$126M
Market Cap (fully diluted)	$157M
Notes Debt (due Sept 2015)	$6.8M
Cash	$12M



Exercise Price	No. Of Warrants	Expiry Date
CAD$1.45	8,600,598	January, 2014
CAD$1.45	23,399,402	December, 2013
CAD$0.85	2,100,042	May, 2012
CAD$0.65	846,000	June, 2013
CAD$0.65	3,964,000	May, 2013
USD$0.60	215,933	December, 2013
USD$0.40	1,080,672	June, 2013
USD$0.14	214,643	May, 2013

BOD & Management Control
Approximately 12% of the Shares

Top Shareholders

Sprott Asset Management
Libra Advisors
U.S. Global Investors World Precious Minerals Fund
GAMCO Gold Fund, Inc.
Wells Fargo Advantage Small/Mid Cap Value Fund
Share SICAV Gold
Sprott Small Cap Equity Fund
Julius Baer Multipartner
OCM Gold Fund

Petaquilla History

1993 – Adrian Resources (predecessor company) initiated operations.

1997 – Minera Petaquilla S.A. was formed by Adrian Resources, Inmet, and Tech Corp; The Petaquilla Concession was granted by the Government of Panama.

2005 – Petaquilla is split into two companies Petaquilla Gold Ltd. and Petaquilla Copper Ltd.

2008 – Petaquilla Copper is sold to Inmet for $383M.

2009 – Production starts at Petaquilla Gold in April 2009.

2010 – Commercial production reached in 2010 January.

2011 – On/off heap leach added in September 2011 to production, fourth consecutive profitable quarter reached since commercial production commenced.

Petaquilla Gold, S.A.

Petaquilla Gold, S.A.

- ✓ **Established Junior Gold Producer – (In Production since 2009)**
- ✓ **Emerging Mid-Tier Producer**
- ✓ **On/off Leach Operation Started in September, 2011**
- ✓ **Plans to Expand Current Molejon Production – On/off Leach Program and Plant Optimization Plan**

Q2 2012 and Q1 2012 Summary

	Q2 2012 FY	Q1 2012 FY
Calendar Period	Sep-Nov 2011	June-Aug 2011
Gold Production	18,100 oz	18,014 oz
Revenue	$25.3M	$26.2M
Cash	$12M	$11M
Net Income	$8.9M	$5M

Production Guidance
Molejon, Panama

Q2 2012:	Gold ounces poured 18,100
September October November	Gold ounces sold 15, 959
Q3 2012:	Gold ounces to be produced 20k – 21k oz
December January February	Including ounces from the plant: 18-19k oz
	Ounces from the leach pads: 2-3k oz

Production Guidance
Molejon, Panama

FY 2012 (June 2011–May 2012)	80k to 90k gold ounces
FY 2013 (June 2012–May 2013)	120k to 130k gold ounces
FY 2014 (June 2013–May 2014)	140k - 150k gold ounces

GUIDANCE CASH COST PER OUNCE - US$550 TO US$600

Lomero-Poyatos
SPAIN

Iberian Resources acquisition closed in August 2011. This transaction has doubled Petaquilla's gold resources and geographically diversified the operations of the company.

Lomero-Poyatos Mine historically produced approximately 2.6 Mt of pyrite ore for use as sulphuric acid feedstock; mine closed for about 20 years

- **Shaft and headgear need to be refurbished**
- **Good road access**
- **3 km from existing railway line**
- **Electric power within 1 km of the mine site**
- **Prefeasibility completed**
- **Permitted for production**

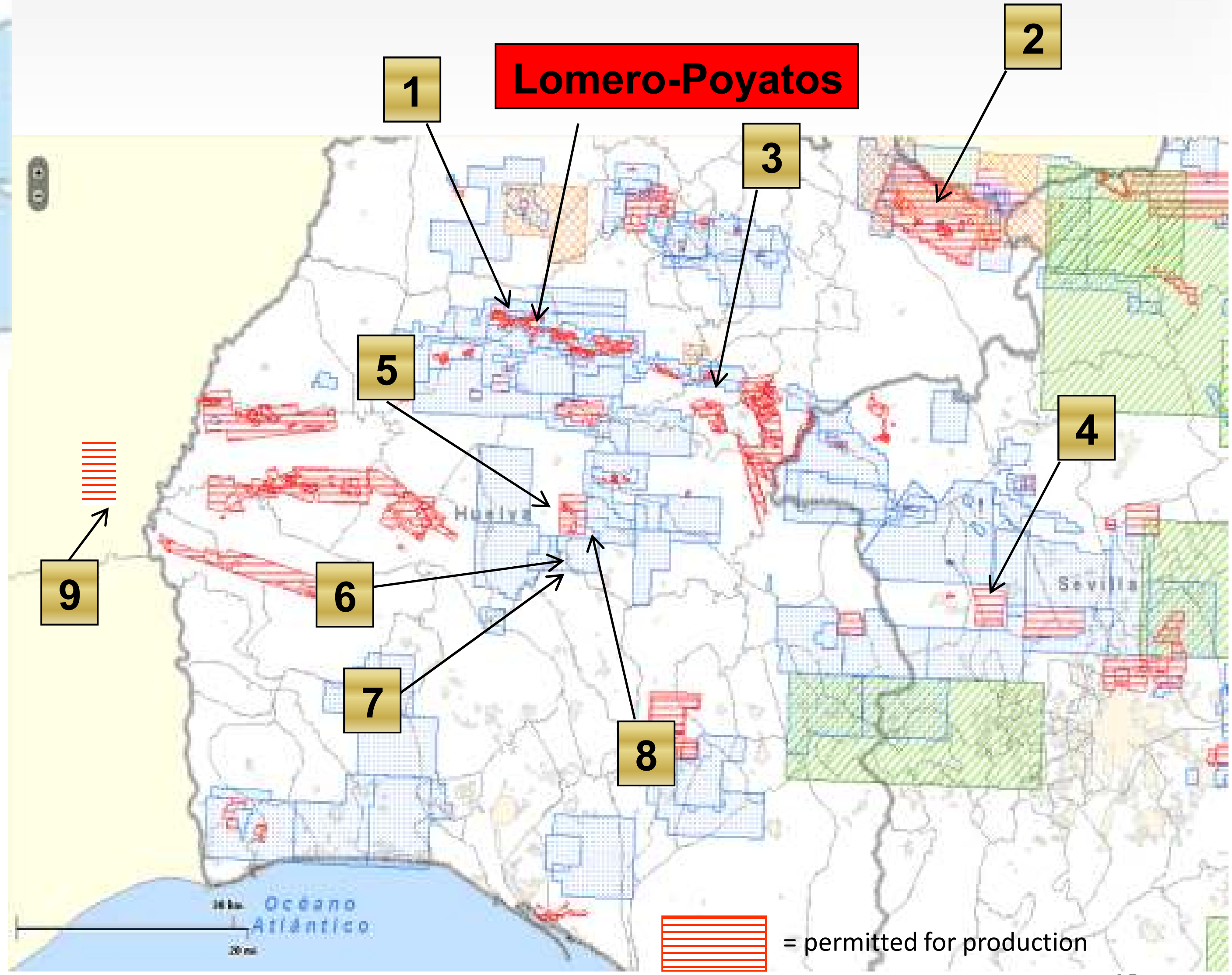
Production expected in 2014

SRK Resource Statement (2002)*		
	Grade	Resource
Gold	3.1 g/t	2.1M oz
Silver	70 g/t	46.0M oz
Zinc	3.30%	1.5B lb
Copper	1.20%	552M lb
Total Resource	20.6M tonnes	

*** Independently verified by Behre Dolbear 43-101 report in July 2011**

Iberian Pyritic Belt Activities Map

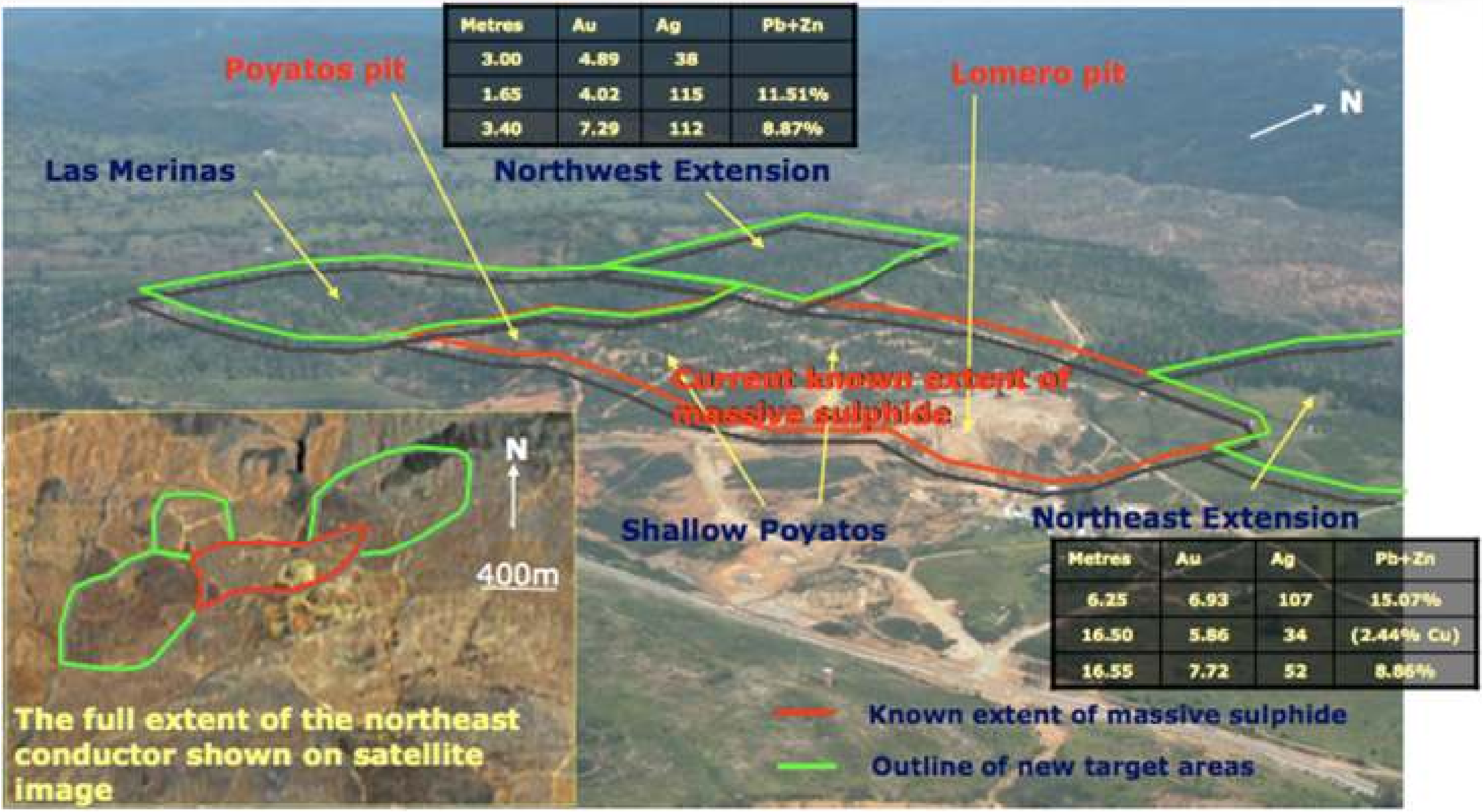
1. San Telmo
2. *Lundin's* Agua Blanca Mine
3. *Iberian Minerals'* Aguas Teñidas Mine
4. *Inmet's* Las Cruces Mine
5. Calabazares
6. Masa Valverde
7. Alcolea
8. Sotiel-Migollas
9. *Lundin's* Neves-Corvo Mine



Lomero-Poyatos Goals

- ✓ **Initiate development drilling and metallurgical evaluation**
- ✓ **Expand Lomero-Poyatos resources and reserves**
- ✓ **Build a water treatment plant**
- ✓ **Initiate Iberia's production in 2014**

Resource/Reserve Potential at Lomero-Poyatos



Metres	Au	Ag	Pb+Zn
3.00	4.89	38	
1.65	4.02	115	11.51%
3.40	7.29	112	8.87%

Metres	Au	Ag	Pb+Zn
6.25	6.93	107	15.07%
16.50	5.86	34	(2.44% Cu)
16.55	7.72	52	8.86%

Panama Development of Infrastructures Ltd. (PDI)

Mining Services

Construction

Energy

Mining Services
- Campsite Services & Logistics
- Major earthworks
- Aggregate Mining & Sales
- Heavy Equipment Fleet Management
- Drilling and Blasting
- Civil Construction
- Environmental Programs

Construction
- Roads and power lines
- Mining Processing Facilities
- Hospitals and Schools
- Other civilian infrastructure

Basic Materials Production
- Construction Aggregate
- Bricks, Tiles and Clay Products
- Other construction materials

Generation
- Diesel
- Hydro
- Thermal

Transmission

Distribution

$19.8B Investment in Infrastructure

$19.8B to be invested in public and private infrastructure development projects in Panama over the next five years.

National Road and Highway Network Improvements : **$970M**

Minera Panamá
Cobre Panama Project: **$5 b**

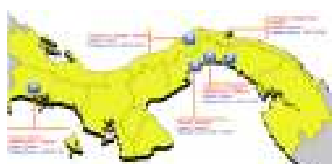
Panama City Metro: **$1.4 b**


Panama Canal Expansion: **$5.25b**


The Cold Chain: **$50M**

Other Public Infrastucture: **$4.4b**


Hospitals: **$358M**


Domestic Airports: **$210M**


Reorganization of Panama City's road network : **$1.5 b**


Panama City and Bay Sanitation Project: **$530M**

Source: Government's Strategic Plan and PDI

PDI Short & Medium-term Strategy

- Unlocking value from Molejon's Gold Project by-products:
  1. Fresh rock waste → Construction aggregate
  2. Clay → Construction materials (Petarcilla)
  3. Tailing basin → Cement and Glass

- Secure contracts to provide construction materials and Services to Inmet's Cobre Panama Project (Capex USD 5 billion) within the construction and Operation phase.

  Inmet's Cobre Grande Project Summary:
  - Capex: $5B
  - Direct Jobs: >5,000 employees
  - Indirect Jobs: > 25,000 positions
  - Infrastructure to be developed: Road, Port, Plant, Tailings

- Public bidding on infrastructure projects in Panama.

Lifestyle Project

Within the next ten years, housing, catering and transportation services for Cobre Panama Project will generate more than $500M in Revenues for service providers.

Rationale:

- **Market**: Up to 5,000 new workers within MPSA 's Infrastructure Construction phase (2012-17).
- **Opportunity**: Lack of housing capacity, electricity or telecommunications. Lack of massive transportation from nearest town (60 Km far).
- **Solution**: LifeStyle Project

- Total Investment: 30M USD (60% Executed within 2012)
- 500 houses for lease and sale
- Added value services included: electricity, drinkable water, internet, laundry, restaurant and gymnasium.
- Potential tax benefits from Law 9

- 12 buses available
- Private Interprovincial routes to transport workers
- High security standard of Operation

Construction Grade Aggregate

Mineral Industry advisor Behre Dolbear & Co. concluded in a NI 43-101 report that up to **29 Mt** of construction grade aggregate products will be needed to support the development of Cobre Panama Project and Cerro Petaquilla.

Crushing capacity in production (205 t/h)

P: 1 x Nordberg NW C-106
S: 1 x Nordberg HP-300

205 t/h

Additional capacity being installed (335 t/h)

P: 1 x Nordberg NW C-125
S: 1 x Nordberg HP-300
T: 1 x Nordberg GP-300

540 t/h

1,425 t/h

Additional capacity to be acquired(885 t/h)

1 x Lokotrak LT 110
P: 2 x Nordberg NW C-110
S: 2 x Nordberg HP-300
T: 2 x Nordberg FS-303

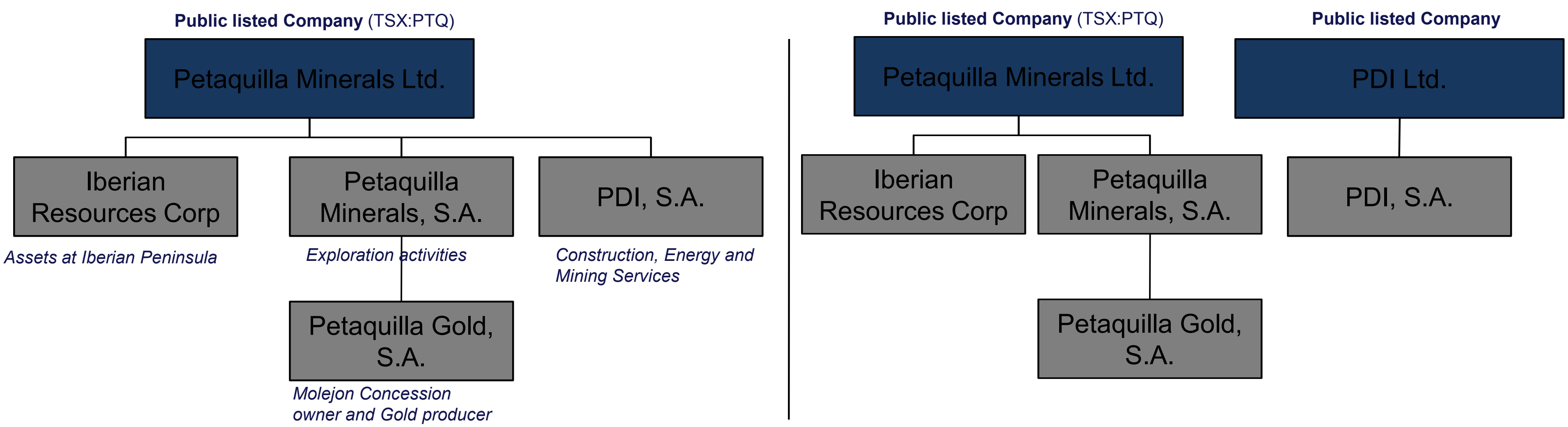
metso

*Nominal crushing capacity

Note: Nominal crushing capacity of 0-150mm product at primary crusher

PDI Spin-Out Plan

Petaquilla Minerals Ltd. ("PTQ") intends to distribute to its shareholders **one share of PDI for each four shares of PTQ** held on the record date for the distribution.



*Current Corporate Structure

2012 – 2013

Note: Corporate structure shown has been simplified for illustrative purposes.

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Panamanian Development and Infrastructure Ltd. (PDI)

- ✓ PDI – Spin-Out – work in progress
  - ✓ Shareholders of Petaquilla will receive one share of PDI for each four shares of Petaquilla Minerals
  - ✓ Proxy Information Circular to be circulated in calendar Q1 2012 followed by a Special Meeting of Shareholders.
- ✓ Aggregate Sale – Aggregate sale unlocks more ounces of gold and brings revenue
  - ✓ PDI to mine, process and sell up to 30 Mt of construction grade aggregate products necessary to support development of Cobre Manama Project
  - ✓ Competitive advantage: No other source of construction aggregate material available within 50 km radius
  - ✓ Additional crushing capacity already acquired
- ✓ PDI is positioned as the earliest entrant in Panama's emerging mining services sector with the successful construction and commissioning of PTQ's Molejon mine.

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Petaquilla Minerals, S.A.

- ✓ **Oro del Norte exploration program**
- ✓ **Botija Abajo & Brazo – resources to be incorporated into mine plan by end of 2012 FY.**
- ✓ **Azuero Mining Development, S.A. and COPE: National and international development of new properties**
- ✓ **COPE: copper subsidiary of Azuero for international copper exploration and production**

Resource Profile

Project	Proven and Probable			Measured and Indicated			Inferred		
	Resource (Mt)	Grade (g/t) Au	Gold (oz)	Resource (Mt)	Grade (g/t) Au	Gold (oz)	Resource (Mt)	Grade (g/t) Au	Gold (oz)
Molejon	15.3	1.30	643,266	10.2	0.32 (0.18 g/t cut-off)	103,255			
Botija Abajo/Brazo				30.3	0.26 (0.1 g/t cut-off)	253,440	185	0.16 (0.1 g/t cut-off)	966,294
Oro del Norte							18.1	0.47 (0.1 g/t cut-off)	276,383
Lomero-Poyatos*				5.42	7 .13	500,000	15.19	2.48	1,600,000
Total	**15.3**		**643,266**	**45.92**		**856,695**	**218.29**		**2,842,677**

* Lomero-Poyatos resources in this table do not include silver and base metals

Botija Abajo, Brazo and Oro del Norte Objectives

- Complete 12,000 metres of drilling by the end of 2012 FY
- Upgrade 300,000 of its Inferred Resources to M&I status and 356,695 gold ounces from M&I to Proven and Probable Reserves

Lomero-Poyatos Objectives

- Complete 48,000 metres of drilling (24,000 metres by end of 2012)
- Upgrade 500,000 gold ounces in M&I category to Proven and Probable Reserves
- Upgrade 600,000 gold ounces in the Inferred Resources category to M&I status

Strategic Value Drivers

Petaquilla Gold, S.A.

- ✓ Expanding current production
- ✓ Consistently increasing cash flows and net income

Iberian Resources Corp.

- ✓ Initiation of drilling and metallurgical evaluation
- ✓ Expected production in 2014

Panamanian Development and Infrastructure Ltd.

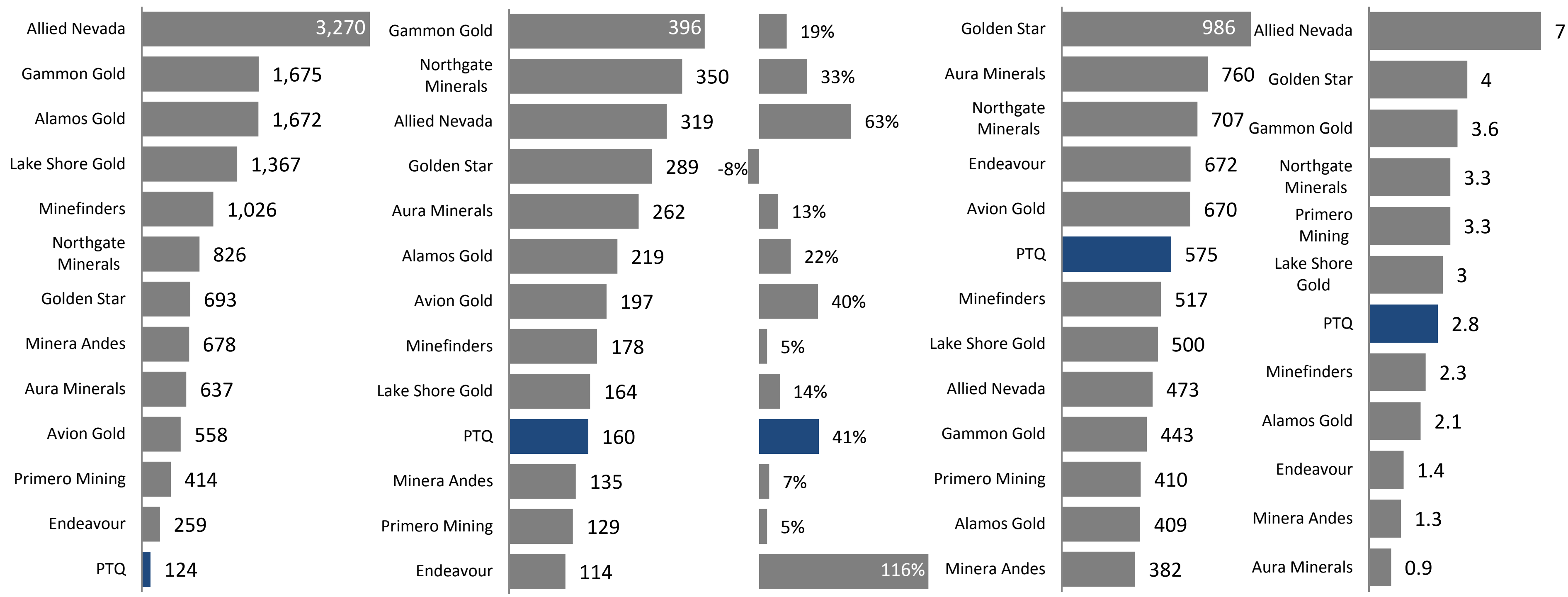
- ✓ Spinning out PDI to Petaquilla Minerals shareholders.
- ✓ Record date to be announced before the end of the year
- ✓ $70M in contracts successfully secured. More contracts to be announced

Petaquilla Minerals, S.A.

- ✓ Exploration program at Oro del Norte, Botija Abajo and Brazo
- ✓ COPE: National and international copper exploration and development of new properties

Peer Comparison

Market Capitalization (USD M) | **Target Annual Production by 2013** (000's Au oz) | **CAGR Production 2011 -2013** | **Weighted Average Cash Cost USD/Au oz 2011-13** | **Attributable Reserves** (M Au oz)



Market Capitalization as at May 18, 2011

PTQ's production figure is on a Au equivalent basis assuming Ag price of US$30/Ag oz and US$1,250/Au oz

CAGR: Compound Annual Growth Rate

Production/cash cost figure for Alamos Gold is on an Au equivalent/co-product basis. All estimates are based on Au/Ag production and by-product cash cost

Estimated recoverable life-of-mine production including expected additions. PTQ's figure assumes a 60% transformation into Au oz Eq. Reserves of Lomero-Poyato's resources.

***Source**: Canaccord Flash Update report 19 May 2011 and Company's forecast*

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Why Petaquilla?

- ***Compelling valuations***
- ***Growing production***
- ***Growing resources and reserves***
- ***Near Term Catalysts***
- ***PDI Spin-Out - work in progress***
- ***Lower Risk***

Appendix
Resource Model 2012 – 2020

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Surrounding Deposits to Molejon

Botija Abajo + BA West + Brazo (Gold + Copper)

Real Corridor Deposits (Botija Abajo-Botija Abajo West)
(Reserves calculated using Gemcom-Whittle @ 1,650 USD/Au oz, 2.7 USD/lb Cu)

		Au oz in situ	Cu M lb in situ
Ore [t]	17,558,000		
Au oz contained [Oz]	200,455	200,455	118.9
Average grade [g / t]	0.36		
Cu contained [lb]	118,873,950		
Average grade [%]	0.307		
(Inferred Resources to be upgraded to Reserves)			
Au oz contained [Oz]	966,000	356,454	209.9
Cu lb contained [lb]	568,965,569		

Assumption:
Conversion factor to Reserves (P+P)
36.9%

Source: AAT Mining Services ("El real Corridor" report)

Note: Reserves were calculated by an external consultant.

Palmilla (Gold)

Palmilla
(Inferred Resources @ 0.1 g/t cut-off)

Ore [t]	27,810,000	
Au oz contained [Oz]	559,000	363,350
Average grade [g / t]	0.63	

Assumption:
Conversion factor to Reserves (P+P)
65.0%

Source: Petaquilla Minerals S.A.

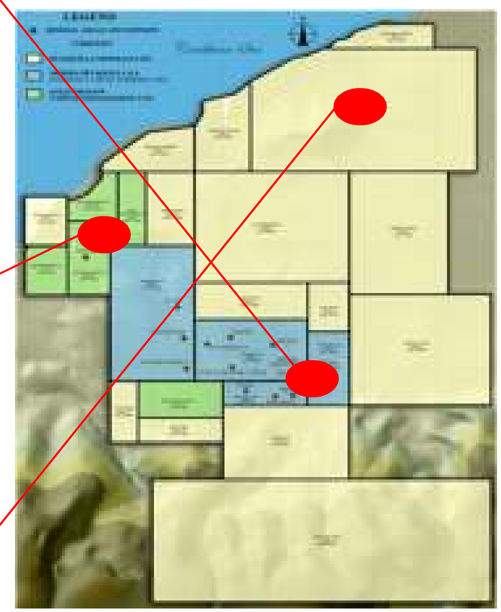
Oro del Norte (Gold)

Oro del Norte
(Inferred Resources @ 0.1 g/t cut-off)

Au oz contained [Oz]	292,000	189,800

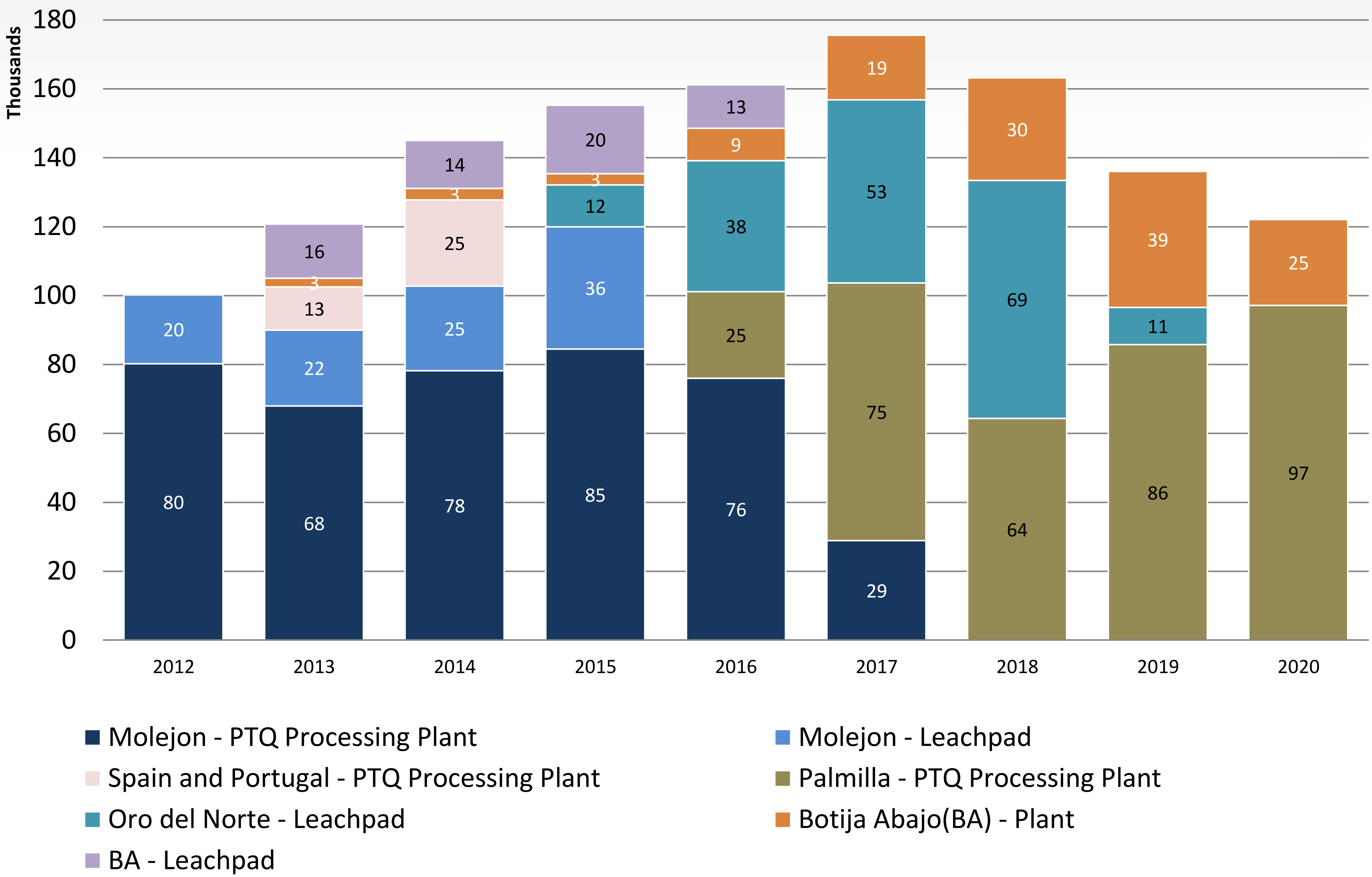
Assumption:
Conversion factor to Reserves (P+P)
65.0%

Source: Petaquilla Minerals S.A.

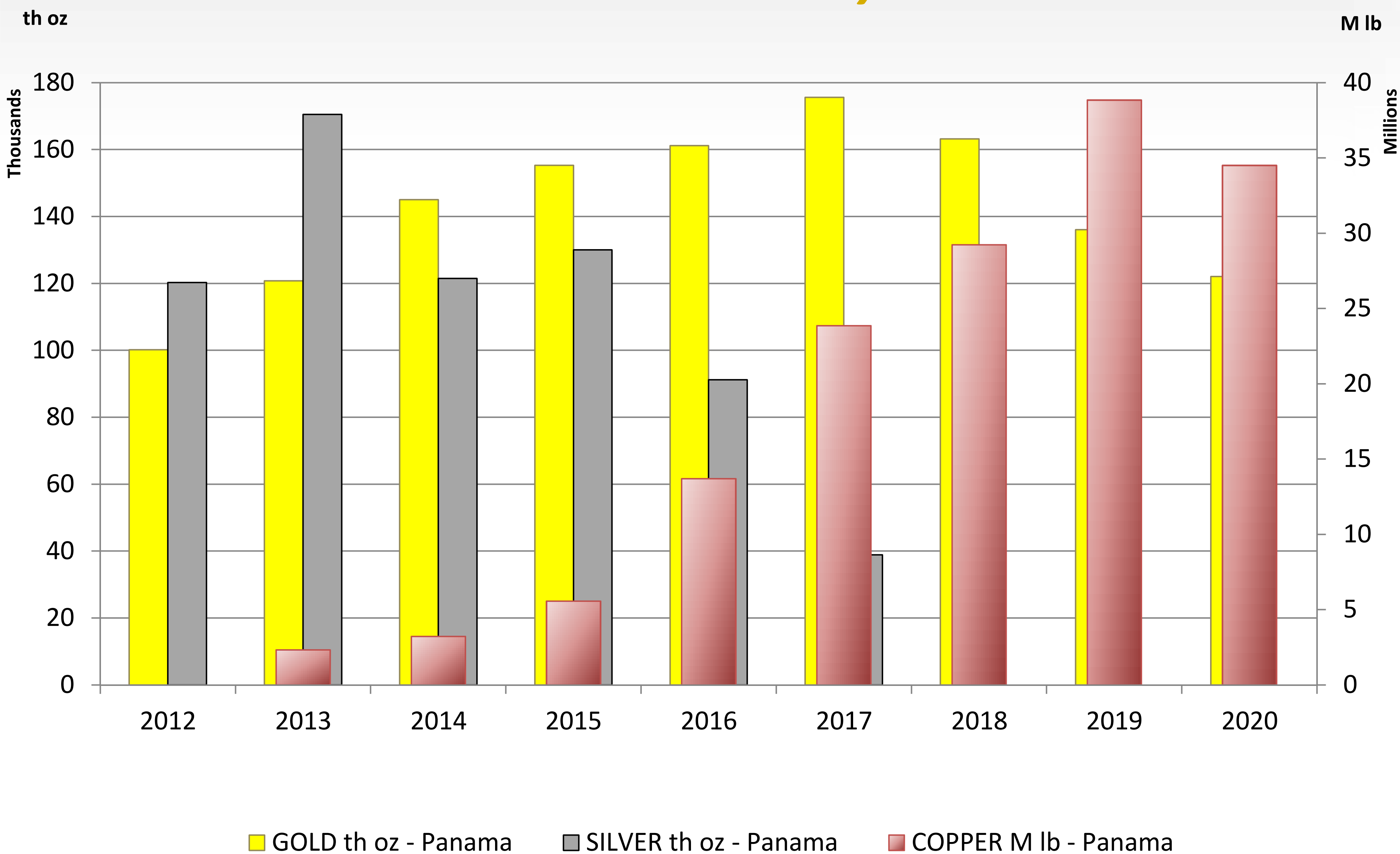


Main assumption: 37% of the Inferred Resources to be upgraded to Reserves in Botija Abajo and 65% in Palmilla and Oro del Norte.

Panama: Gold Recovered by Deposit (Thousand oz)



Panama Production by Metal



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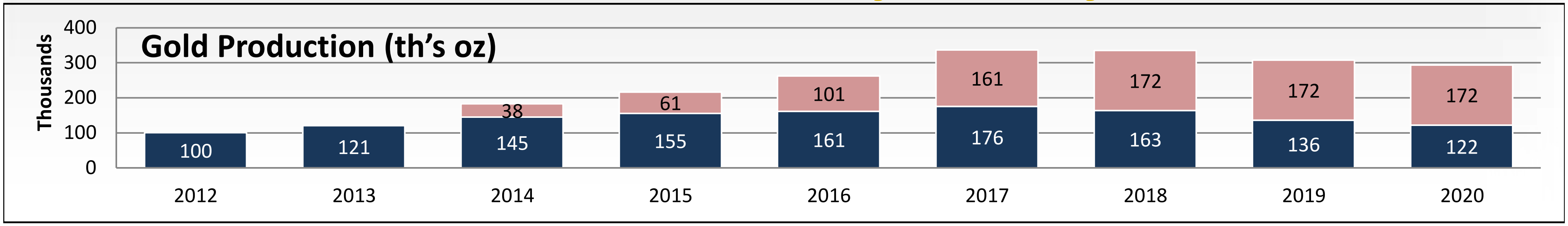
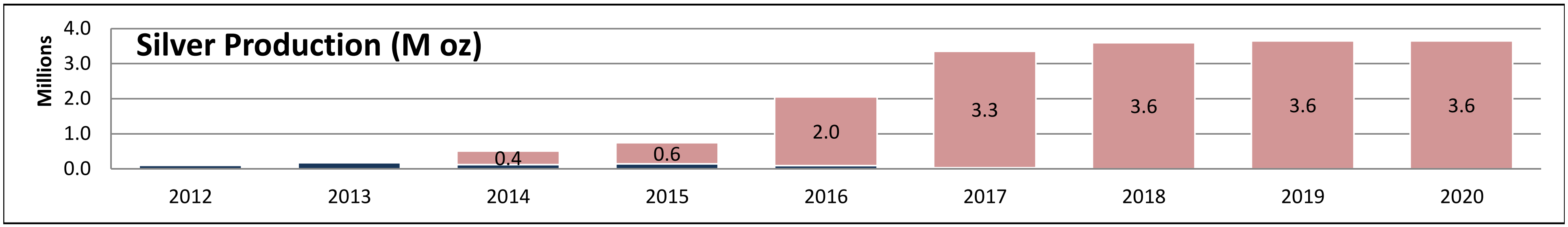
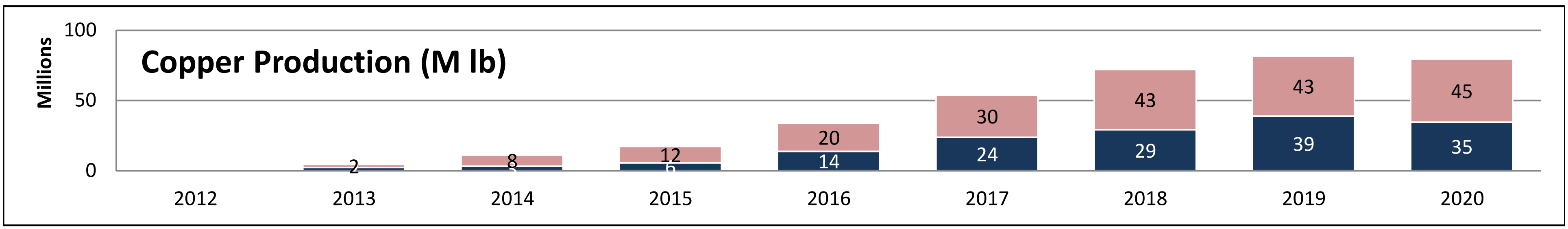
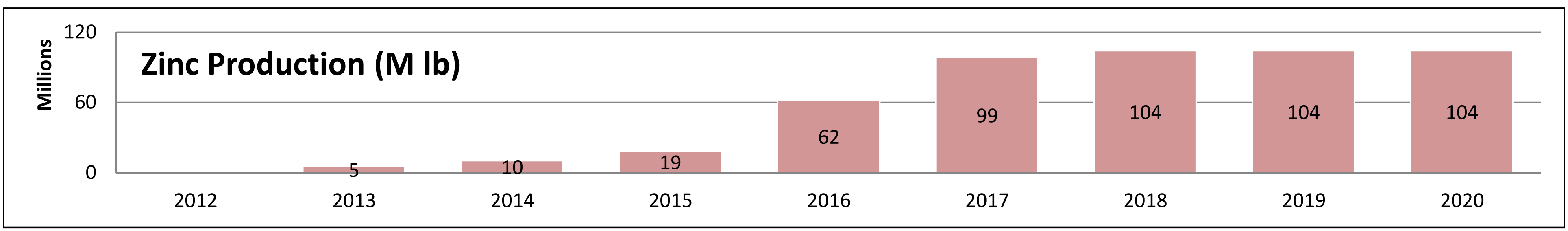
Metal Production by Country



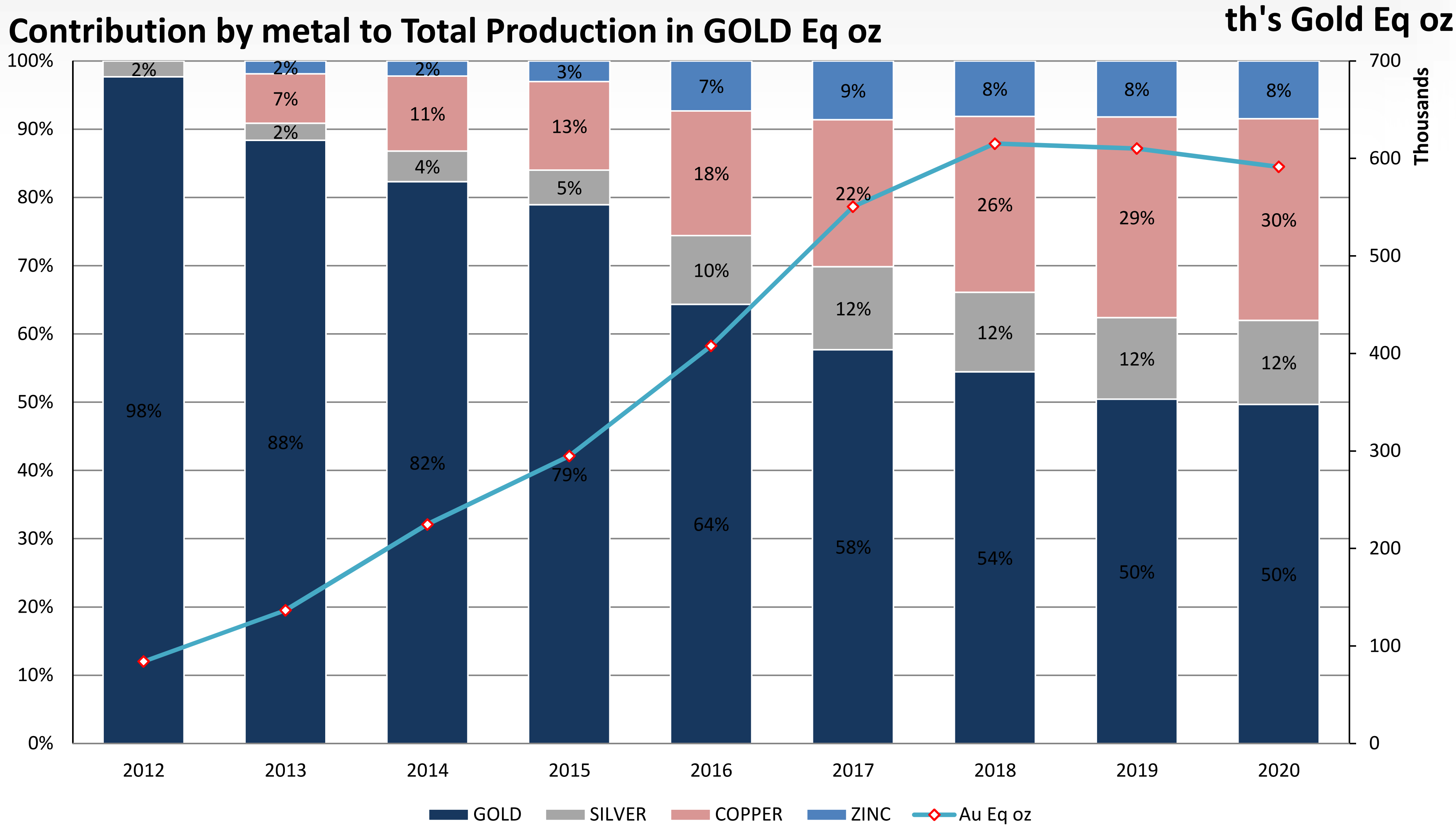






Panama Spain

Production Profile Based on Current Resource



*** Gold Eq oz has been calculated assuming Au price 1,250 USD, Ag price 25 USD/Oz, Cu price 2.75 USD/lb and Zn price 0.60 USD/lb.**

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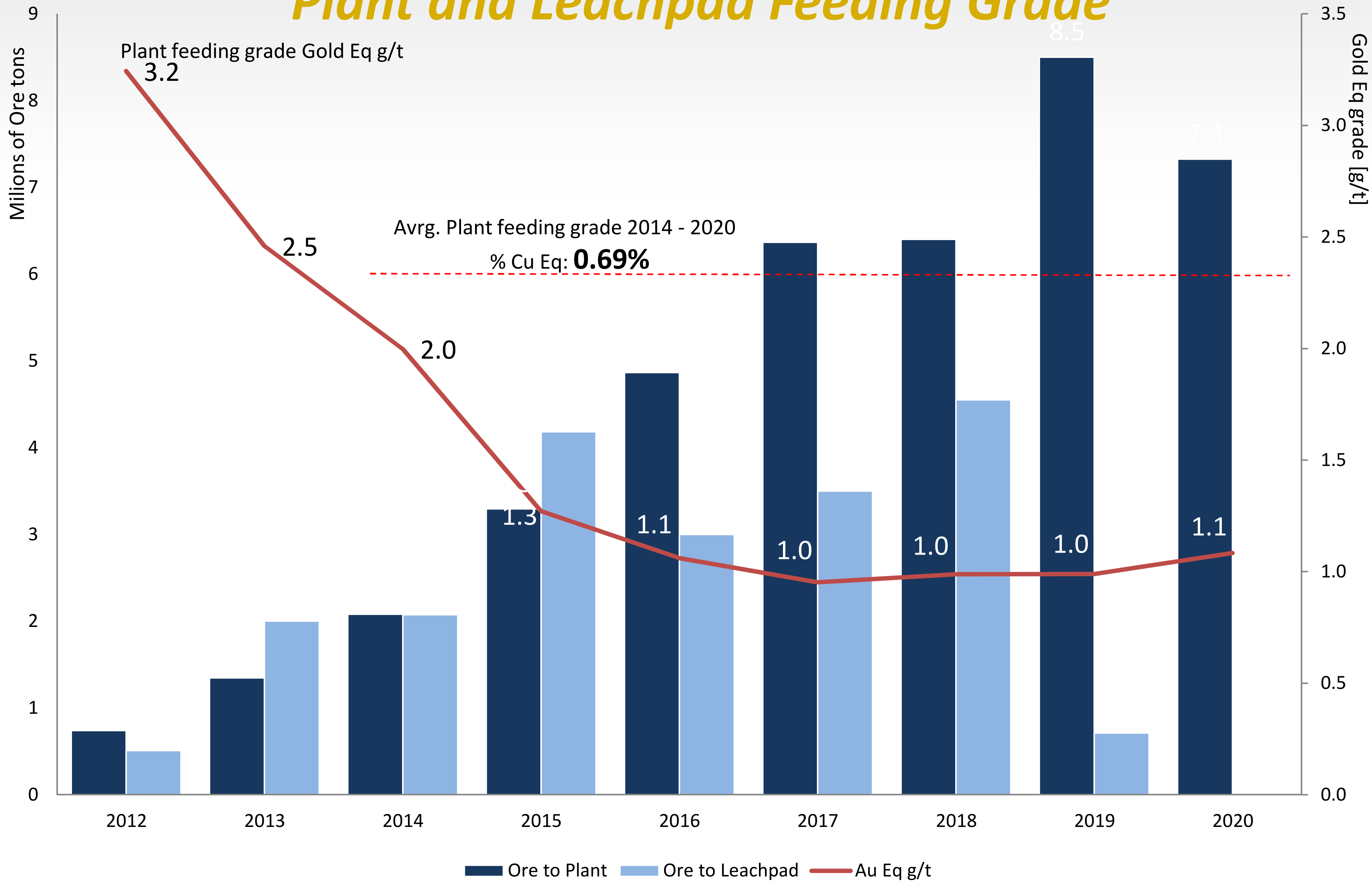
Plant and Leachpad Feeding Grade



•Note: % * CuEq refers to the period 2011-2020 and assumes Gold (Au) price 1,250 USD, Silver(Ag) price 25 USD/Oz, Copper(Cu) price 2.75 USD/lb and Zinc (Zn) price 0.60 USD/lb.

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