



TRANSGLOBE ENERGY CORPORATION ANNOUNCES 2011 YEAR-END RESERVES

TSX: "TGL" & NASDAQ: "TGA"

Calgary, Alberta, January 17, 2012 – TransGlobe Energy Corporation ("TransGlobe" or the "Company") today announced its 2011 year-end reserves. **All dollar values are expressed in United States dollars unless otherwise stated.**

The Company's 2011 and 2010 year-end reserves were prepared by the independent reserves evaluation firm of DeGolyer and MacNaughton Canada Limited ("DeGolyer"), in accordance with National Instrument 51-101. The following is a summary of DeGolyer's evaluation for the year ended December 31, 2011 with comparatives to the year ended December 31, 2010.

The recovery and reserve estimates of crude oil, natural gas liquids ("NGLs") and natural gas reserves provided in this news release are estimates only, and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, NGL and natural gas reserves may be greater than, or less than, the estimates provided herein. All reserves presented are based on DeGolyer's forecast pricing effective December 31, 2011 and December 31, 2010, respectively.

Year-End 2011 Reserves*

Proved Reserves ("1P")

TransGlobe's total proved reserves increased 38 percent to 28.2 million barrels of oil ("MMBbl") at December 31, 2011 from 20.5 MMBbl at December 31, 2010. This increase in proved reserves represents a production replacement in 2011 of 275 percent. The Company produced 4.4 MMBbl of reserves during 2011.

Proved Plus Probable Reserves ("2P")

Total 2P reserves grew 45 percent to 44.2 MMBbl at December 31, 2011 from 30.4 MMBbl at December 31, 2010. The increase in 2P reserves represents a production replacement in 2011 of 412 percent.

Proved Plus Probable Plus Possible Reserves ("3P")

Total 3P reserves grew 43 percent to 59.8 MMBbl at December 31, 2011 from 41.9 MMBbl at December 31, 2010. The increase in 3P reserves represents a production replacement in 2011 of 507 percent.

* Definitions of Reserves Categories:

- Proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.
- Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.
- Possible reserves have a less likely chance of being recovered than probable reserves. This term is often used for reserves which are claimed to have at least a 10 percent certainty of being produced.

Year-End Reserves Summary
(Working Interest, before royalties)

	December 31, 2011 (MMBbl)	December 31, 2010 (MMBbl)	Increase (Decrease) (%)
Proved			
Egypt	24.3	15.2	60
Yemen	3.8	5.3	(27)
Total 1P	28.1	20.5	38
Proved Plus Probable			
Egypt	38.4	23.9	61
Yemen	5.8	6.5	(12)
Total 2P	44.2	30.4	45
Proved Plus Probable Plus Possible			
Egypt	52.9	34.5	53
Yemen	6.9	7.4	(6)
Total 3P	59.8	41.9	43

2011 Reserve Changes

In 2011, the Company's activities focused primarily on the continued development of its operated West Gharib concession and the acquisition of the West Bakr concession in the Arab Republic of Egypt ("Egypt").

In Egypt, the Company's 1P reserves grew 60 percent over 2010, representing a production replacement of 335 percent. On 2P basis, the year-over-year increase was 61 percent, equal to a production replacement of 475 percent, while on a 3P basis, the year-over-year increase was 53 percent, equal to a production replacement of 574 percent.

The most significant reserves additions during the year resulted from appraisal drilling at Arta/East Arta in West Gharib and the acquisition of West Bakr (closed December 29, 2011).

At Arta/East Arta, reserve additions were achieved in the Lower Nukhul through step-out and appraisal drilling along with continued development of the Upper Nukhul.

At West Bakr reserve adds of 7.4 MMBbl (1P), 11.6 MMBbl (2P) and 16.8 MMBbl (3P) were assigned to the year end 2011 report.

In the Republic of Yemen ("Yemen"), reserves were reduced primarily due to a curtailment of future drilling activities in Block S-1 due to political instability. The Company's Yemen 1P, 2P and 3P reserves were decreased by 27%, 11% and 5% respectively from the 2010 year-end numbers.

Estimated Future Net Revenues

All evaluations and reviews of future net cash flow are stated prior to any provision for interest costs or general and administrative costs and after the deduction of estimated future capital expenditures for wells to which reserves have been assigned. It should not be assumed that the estimated future net cash flow shown below is representative of the fair market value of the Company's properties. There is no assurance that such price and cost assumptions will be attained, and variances could be material. The recovery and reserve estimates of crude oil, NGL and natural gas reserves provided herein are estimates only, and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, NGL and natural gas reserves may be greater than or less than the estimates provided herein.

The estimated future net revenues for years ended 2011 and 2010 presented below in millions of U.S. dollars ("MM") are calculated using DeGolyer's price forecast at December 31, 2011 and December 31, 2010, respectively, and constant pricing using the Securities and Exchange Commissions' ("SEC") average price (the 12-month average price using the first day of the month prices during 2011 and 2010, respectively). In the constant price cases, the prices were held constant for the life of the reserves.

Forecast Pricing

Present Value of Future Net Revenues, After Tax (\$MM) Independent Evaluator's Price Forecast

Present Value By Area	December 31, 2011 Discounted at					December 31, 2010 Discounted at				
	0%	5%	10%	15%	20%	0%	5%	10%	15%	20%
Proved										
Egypt	\$544	\$471	\$417	\$375	\$342	\$380	\$320	\$277	\$244	\$219
Yemen	\$74	\$65	\$58	\$52	\$47	\$100	\$86	\$75	\$67	\$60
Total 1P	\$617	\$536	\$475	\$427	\$389	\$481	\$406	\$353	\$311	\$279
Proved plus Probable										
Egypt	\$802	\$674	\$581	\$511	\$456	\$544	\$451	\$384	\$332	\$291
Yemen	\$130	\$104	\$86	\$74	\$65	\$127	\$107	\$92	\$80	\$71
Total 2P	\$931	\$778	\$667	\$585	\$521	\$672	\$558	\$475	\$412	\$362
Proved plus Probable plus Possible										
Egypt	\$1,062	\$862	\$723	\$622	\$545	\$771	\$610	\$502	\$425	\$366
Yemen	\$157	\$124	\$102	\$86	\$74	\$145	\$121	\$103	\$89	\$78
Total 3P	\$1,220	\$986	\$825	\$708	\$620	\$916	\$731	\$605	\$514	\$444

The following table summarizes DeGolyer's reference price forecast used to estimate future net revenues:

DeGolyer Forecast Pricing (\$/bbl)						
Brent Forecast Pricing (\$/Bbl)	2011	2012	2013	2014	2015	2016
Year-end 2011		\$106.00	\$104.67	\$105.42	\$106.25	\$106.08
Year-end 2010	\$93.00	\$91.78	\$92.64	\$94.57	\$97.58	\$99.58

Constant Pricing

Present Value of Future Net Revenues, After Tax (\$MM) Constant Pricing

Present Value By Area	December 31, 2011 Discounted at					December 31, 2010 Discounted at				
	0%	5%	10%	15%	20%	0%	5%	10%	15%	20%
Proved										
Egypt	\$568	\$494	\$437	\$394	\$359	\$311	\$265	\$232	\$206	\$185
Yemen	\$83	\$73	\$64	\$58	\$52	\$77	\$68	\$60	\$53	\$48
Total 1P	\$651	\$567	\$501	\$452	\$411	\$388	\$333	\$291	\$259	\$233
Proved plus Probable										
Egypt	\$832	\$702	\$607	\$535	\$478	\$442	\$370	\$316	\$275	\$241
Yemen	\$136	\$109	\$91	\$78	\$69	\$99	\$84	\$73	\$64	\$57
Total 2P	\$968	\$811	\$698	\$613	\$547	\$541	\$455	\$390	\$339	\$299
Proved plus Probable plus Possible										
Egypt	\$1,095	\$894	\$753	\$650	\$571	\$612	\$492	\$409	\$348	\$301
Yemen	\$164	\$131	\$108	\$91	\$79	\$113	\$95	\$82	\$71	\$63
Total 3P	\$1,259	\$1,024	\$860	\$741	\$650	\$725	\$587	\$491	\$419	\$364

The constant pricing used to estimate future net revenues is as follows, with Egypt prices based on prices received for West Gharib production and estimated for West Bakr and East Ghazalat and Yemen prices based on prices received for production from Blocks 32 and S-1.

Pursuant to the SEC pronouncement in 2009, the Constant price cases are based on the average of the reference price received on the first of each month during the year adjusted for respective differentials at year-end.

Constant Pricing (\$/Bbl)	2011	2010
Egypt	\$97.86	\$69.50
Yemen	\$109.71	\$77.81

TransGlobe Energy Corporation is a Calgary-based, growth-oriented oil and gas exploration and development company focused on the Middle East/North Africa region with production operations in the Arab Republic of Egypt and the Republic of Yemen. TransGlobe's common shares trade on the Toronto Stock Exchange under the symbol TGL and on the NASDAQ Exchange under the symbol TGA.

Cautionary Statement to Investors:

This news release may include certain statements that may be deemed to be "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Such statements relate to possible future events. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Although TransGlobe's forward-looking statements are based on the beliefs, expectations, opinions and assumptions of the Company's management on the date the statements are made, such statements are inherently uncertain and provide no guarantee of future performance. Actual results may differ materially from TransGlobe's expectations as reflected in such forward-looking statements as a result of various factors, many of which are beyond the control of the Company. These factors include, but are not limited to, unforeseen changes in the rate of production from TransGlobe's oil and gas properties, changes in price of crude oil and natural gas, adverse technical factors associated with exploration, development, production or transportation of TransGlobe's crude oil and natural gas reserves, changes or disruptions in the political or fiscal regimes in TransGlobe's areas of activity, changes in tax, energy or other laws or regulations, changes in significant capital expenditures, delays or disruptions in production due to shortages of skilled manpower, equipment or materials, economic fluctuations, and other factors beyond the Company's control. TransGlobe does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change, other than as required by law, and investors should not attribute undue certainty to, or place undue reliance on, any forward-looking statements. Please consult TransGlobe's public filings at www.sedar.com and www.sec.gov/edgar.shtml for further, more detailed information concerning these matters.

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