



**TransGlobe Energy**  
CORPORATION

**TRANSGLOBE ENERGY CORPORATION ANNOUNCES  
CDN\$75.0 MILLION BOUGHT-DEAL FINANCING**

**TSX: "TGL" & NASDAQ: "TGA"**

**NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR DISSEMINATION IN THE UNITED STATES**

Calgary, Alberta, January 10, 2011 – TransGlobe Energy Corporation ("TransGlobe" or the "Company") today announced it has entered into an agreement with a syndicate of underwriters under which the members of the syndicate have agreed to purchase for resale, on a bought-deal basis, 5,000,000 common shares ("Common Shares") of the Company at Cdn\$15.00 per Common Share (the "Offering") to raise gross proceeds of approximately Cdn\$75.0 million. Closing of the Offering, which is subject to customary conditions and regulatory approvals, including approval of the Toronto Stock Exchange and the NASDAQ, is expected to occur on or about February 1, 2011. TransGlobe has also granted the underwriters an over-allotment option to purchase, on the same terms, up to an additional 750,000 Common Shares. This option is exercisable, in whole or in part, by the underwriters, in their sole discretion, at any time up to 30 days after closing. The maximum gross proceeds raised under the Offering will be approximately Cdn\$86.25 million, should the over-allotment option be exercised in full.

The proceeds of the Offering will be used to fund capital expenditures, to repay long-term debt and to pursue new business development opportunities in the Arab Republic of Egypt, including adding new acreage through farm-in arrangements, bid rounds or acquisitions from third parties.

The Common Shares will be offered in Canada in the Provinces of British Columbia, Alberta, Ontario, Manitoba and Quebec by way of a short-form prospectus and in the United Kingdom and certain other jurisdictions on a private placement basis.

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 statements concerning the anticipated closing date of the Offering. The forward-looking statements are based on certain key expectations and assumptions made by TransGlobe, including the anticipated receipt of regulatory approvals and the approval of the Toronto Stock Exchange and NASDAQ. Although TransGlobe believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because TransGlobe can give no assurance that they will prove to be correct. The closing of the Offering could be delayed or the Offering may not close at all if the required approvals are not obtained on a timely basis or some other condition to the Offering is not satisfied. TransGlobe does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change, 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](http://www.sedar.com) and [www.sec.gov/edgar.shtml](http://www.sec.gov/edgar.shtml) for further, more detailed information concerning these matters.*

*This news release is not for dissemination in the United States or to any United States news services. This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been*

*and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.*

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