



## TRANSGLOBE ENERGY CORPORATION TO SELL CANADIAN ASSETS TO DIRECT ENERGY

**TSX: TGL**  
**NASDAQ: TGA**

Calgary, Alberta, April 16, 2008 - TransGlobe Energy Corporation ("TransGlobe") is pleased to announce it has entered into an agreement to sell all of its Canadian oil and gas assets to Direct Energy Marketing Limited, one of North America's largest energy and energy-related services providers.

Pursuant to a binding purchase and sale agreement, Direct Energy will acquire all of TransGlobe's Canadian properties, including current production of approximately 1,450 barrels of oil equivalent per day ("boepd"), for Cdn\$ 56.7 million, with an effective date of January 1, 2008. It is expected that closing of the transaction will occur on or about April 30, 2008 subject to standard and customary closing conditions.

The proceeds from the sale of TransGlobe's Canadian assets will be utilized to reduce the debt incurred when TransGlobe acquired producing assets in Egypt late in 2007 and early in 2008. This will result in a debt-to-forward-cash-flow ratio of less than 0.7:1 and debt-to-market-capitalization ratio of less than 20%.

"We are very satisfied with the offer from Direct Energy; the transaction metrics of Cdn\$39,100 per daily boe produced and Cdn\$14.87 per boe of P+P reserves are well in line with similar transactions in western Canada over the past nine months. Our strategic decision to divest of our Canadian assets in order to focus entirely on our Middle East/North Africa properties has already been validated: while we are selling approximately 1,450 boepd of Canadian production, we have increased the output of our recently acquired Egyptian assets from the total 2,500 barrels of oil per day ("bopd") we purchased to approximately 3,300 bopd at this time. The fact that we have added 800 bopd of production in Egypt through the drill bit in just a few months proves that our opportunities overseas are very promising", commented Ross Clarkson, President and Chief Executive Officer of TransGlobe.

Tristone Capital acted as financial advisor to TransGlobe on this transaction.

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.

Direct Energy is one of North America's largest energy and energy-related services providers with over 5 million residential and commercial customer relationships. Direct Energy provides customers with choice and support in managing their energy costs through a portfolio of innovative products and services. A subsidiary of Centrica plc (LSE: CNA), one of the world's leading integrated energy companies, Direct Energy operates in 21 states plus DC and 10 provinces in Canada. To learn more about Direct Energy, visit [www.directenergy.com](http://www.directenergy.com).

*The calculations of barrels of oil equivalent ("Boe") are based on a conversion rate of six thousand cubic feet ("Mcf") of natural gas to one barrel ("Bbl") of crude oil. Boes may be misleading, particularly if used in isolation. A Boe conversion ratio of 6 Mcf: 1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.*

**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, 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.*

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