VIRACOCHA ENERGY INC.

PRESS RELEASE

VIRACOCHA ANNOUNCES MAILING OF INFORMATION CIRCULAR AND FILING OF YEAR END INFORMATION

FOR IMMEDIATE RELEASE – May 3, 2004

VIRACOCHA ENERGY INC. (TSX - VCA) ("Viracocha") is pleased to announce the mailing of its information circular (the "Information Circular") with respect to the proposed plan of arrangement (the "Arrangement") of Viracocha and Provident Energy Trust ("Provident") pursuant to which Viracocha will amalgamate into Provident and a new junior oil and gas exploration and development company known as Chamaelo Energy Inc. ("Chamaelo") will be created. A Special Meeting of the holders of Class A Common Shares of Viracocha to consider the Arrangement will be held in the Strand/Tivoli room of the Metropolitan Centre, 333-4th Avenue S.W., Calgary, Alberta on May 27, 2004 at 9:00 a.m. (Calgary time). In order to become effective, a resolution approving the Arrangement (the "Arrangement Resolution") must be approved by at least two-thirds of the votes cast by holders of Class A Common Shares present in person or by proxy at the Special Meeting. The Arrangement will also require final approval of the Court of Queen's Bench of Alberta.

Pursuant to the Arrangement, through a series of transactions, Viracocha shareholders will receive, for each Viracocha Share, either 0.248 of one unit of Provident Trust or 0.248 of one exchangeable share (an "Exchangeable Share") of Provident Energy and one-tenth of one common share of Chamaelo. The Exchangeable Shares are subject to an aggregate maximum of 1,325,000 and are not available to Non-Resident or tax exempt Viracocha Shareholders. Details of the Arrangement are more fully described in the Information Circular.

The Board of Directors of Viracocha has unanimously concluded that the Arrangement is in the best interests of Viracocha and its shareholders and recommends that the shareholders vote in favour of the Arrangement Resolution. Each member of the Board of Directors and each member of management of Viracocha intends to vote all shares held by him in favour of the Arrangement Resolution.

Viracocha has retained GMP Securities Ltd. and Orion Securities Inc. as financial advisors to Viracocha in connection with the Arrangement. Orion Securities Inc. has provided an opinion that the consideration to be received by shareholders of Viracocha pursuant to the Arrangement is fair, from a financial point of view, to the shareholders of Viracocha.

Viracocha has also filed its audited consolidated financial statements and accompanying notes for the year ended December 31, 2003 and related Management's Discussion and Analysis on the System for Electronic Document Analysis and Retrieval ("SEDAR"). In addition, Viracocha has filed its annual information form for the year ended December 31, 2003, which includes the disclosure and reports relating to reserves data and other oil and gas information required pursuant to National Instrument 51-101 of the Canadian Securities Administrators.

Copies of these filings can be accessed through SEDAR at www.sedar.com.

For further information, please visit our website at **www.viracocha.ab.ca** or contact:

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