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For Immediate Release

Calgary, Alberta

May 25, 2010

**SUROCO ENERGY INC. PROVIDES OPERATIONAL UPDATE ON ITS OPERATIONS AND
THE OPERATIONS OF WINCHESTER**

Suroco Energy Inc. (TSX Venture Exchange: SRN) (“**Suroco**” or the “**Corporation**”) is pleased to announce an update to its operations and the operations of Winchester Oil & Gas S.A. (“**Winchester**”).

On April 20, 2010, the Corporation entered into a binding letter of intent with Winchester setting out the initial terms and conditions of an arm’s length merger between the Corporation and Winchester (the “**Proposed Transaction**”). Winchester is an oil and gas company incorporated in Panama and which has been active in Colombia since 2002. Please refer to the Corporation’s press releases of April 22, 2010, April 30, 2010, May 4, 2010 and May 21, 2010 for more information about the Proposed Transaction. The Proposed Transaction will constitute a reverse take-over and a change of control of the Corporation within the meaning of Policy 5.2 of the TSX Venture Exchange.

Winchester Operations

Yamu South 1 Well: The Yamu South-1 well, which is the first well in the Yamu Block drilling program for 2010, commenced drilling on May 16, 2010. Winchester is the operator of the Yamu Block and holds a 75% working interest in the Yamu South-1 well and will be responsible for 50% of the costs.

The Yamu South-1 well is being drilled to test a four-way dip closed feature which has been identified on 3D seismic and has reservoir objectives in the Carbonera 7, Carbonera 8 and Guadalupe sands and will be drilled to a measured depth of approximately 3,800 metres, equivalent to approximately 3,200 metres true vertical depth. The well is being directionally drilled from the Yamu surface location, where Winchester owns and operates facilities which should allow the well to be put on production immediately upon completion.

The Yamu South-1 well is being drilled with Tuscany Rig 109, which has been contracted to drill 5 wells on the Yamu Block, and is expected to take 42 days to drill and complete. After completion of Yamu South-1 well, the rig will move to another location on the same block where it will test the Picure feature, which is located approximately 5 kilometers to the south of the Yamu South feature on the Yamu Block, and which is expected to spud in mid-July, 2010.

Winchester Oil & Gas, S.A. has been informed by the Agencia Nacional de Hidrocarburos (“**ANH**”) that it has qualified as an Operator for the 2010 bid-round in Colombia.

Suroco Operations

Suroco continues to focus on building additional fluid handling and transportation facilities in the Suroriente Block in order to be able to produce all wells to their optimum capacities. The Corporation expects this work to be completed some time in the third quarter of 2010. Production from the Suroriente Block for the first quarter of 2010 averaged 3,939 barrels of oil per day (“bopd”) (574 bopd net after royalty to the Corporation) and production from the Suroriente Block for the second quarter of 2010 until May 23 has averaged 6,504 bopd (948 bopd net after royalty to the Corporation).

The Corporation is also anticipating that a multiple well appraisal and development drilling program in the Suroriente Block will commence in the third quarter of this year.

Suroco Energy Colombia, a wholly owned subsidiary of Suroco, has been informed by the ANH that it has qualified as a Restricted Operator for the 2010 bid-round in Colombia.

The Corporation is a Calgary-based junior oil and gas company, which explores for, develops, produces and sells crude oil, natural gas liquids and natural gas in Colombia and Western Canada. The Corporation’s common shares trade on the TSX Venture Exchange under the symbol SRN.

Forward Looking Statements

This press release contains forward-looking statements relating to the Proposed Transaction, the anticipated reverse take-over of Suroco and operational and exploration activities for Suroco and Winchester and other statements. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur, which may cause actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. These assumptions, risks and uncertainties include, among other things: the risk that the Proposed Transaction will not be completed if a definitive agreement setting forth the definitive terms and conditions of the Proposed Transaction is not reached or that the necessary approvals and/or exemptions are not obtained or some other condition to the closing of the Proposed Transaction is not satisfied; the state of the economy in general and capital markets in particular; and the assumptions, risks and uncertainties related to operational and future exploration activities.

The forward-looking statements contained in this press release are made as of the date of this press release. Except as required by law, Suroco disclaims any intention and assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Additionally, Suroco undertakes no obligation to comment on the expectations of, or statements made by, third parties in respect of the matters discussed above.

For further information please contact Alastair Hill, President and Chief Executive Officer of the Corporation or Travis Doupe, VP Finance and Chief Financial Officer of the Corporation, or visit our website at www.suroco.com:

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The TSX Venture Exchange has in no way passed on the merits of the Proposed Transaction and has neither approved nor disapproved the contents of the press release. Completion of the Proposed Transaction is subject to a number of conditions, including TSX Venture Exchange acceptance and disinterested shareholder approval. The Proposed Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Proposed Transaction will be completed as proposed or at all. Trading in the securities of the Corporation should be considered highly speculative.

Investors are cautioned that, except as disclosed in a disclosure document to be prepared in connection with the Proposed Transaction, any information released or received with respect to the Proposed Transaction may not be accurate or complete and should not be relied upon.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

(Not for dissemination in the United States of America)