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*For Immediate Release*

**Calgary, Alberta**

**December 23, 2010**

**SUROCO ENERGY INC. ANNOUNCES PINUNA 3 WELL TESTS 2066 BBL/DAY**

Suroco Energy Inc. (TSX Venture Exchange: SRN) (the “**Corporation**”) is pleased to announce that the first appraisal well of the Pinuna U pool discovery in the Suroriente Block encountered oil in two zones and has been tested at a cumulative rate of 2066 barrels per day (301 barrels per day net after royalty).

Mr. Alastair Hill, the Corporation’s President commented, “The principal target in the Pinuna 3 well was the Villeta U sand, which encountered 45 feet of continuous net oil pay and tested at 1108 barrels per day (161 barrels per day net after royalty). However, we are particularly excited to have also encountered 21 feet of net oil pay in the Villeta T sand in this well which also tested at 958 barrels per day (140 barrels per day net after royalty). The presence of oil in the T sand at this location effectively extends the oil-bearing area further to the north than had previously been estimated and further underscores the growing potential of this block with its multiple reservoirs. The rig will now be moved to the Cohembi oil pool where we plan to drill two appraisal wells.”

**Pinuna 3 Well:** The well was drilled to a total depth of 9650 ft in the northern area of the Pinuna oil field. A total of two intervals were perforated and tested in the well and it will be equipped for production with a variable speed submersible pump. The production flowline is already in place and production is expected to commence on or about December 24, 2010. The well will be configured to allow for the option of producing from either of the Villeta intervals in the future without requiring a service rig. Future production performance will dictate which zone will be produced over the near term and whether commingled production of the two zones should be considered.

**Villeta U Sand**

The top of the main reservoir was encountered 10 feet higher than in the offsetting Pinuna 5 well and a total of 45 feet of continuous net oil pay was encountered. The reservoir exhibits porosity of 23% and a water saturation of 26%. The entire reservoir interval was cored in this well and pressure tests were not taken. Interpretation of the gathered information indicates increasing water saturation towards the base of the interval suggesting a transition to a water zone, although a definitive oil-water contact was not observed. Overall the Villeta U oil-bearing interval appears similar to the offsetting Pinuna 5 well which has produced at an average rate of 2150 barrels per day (313 barrels per day net after royalty) since commencing production on February 1, 2010. Testing operations in the Pinuna 3 well were conducted from December 22 to December 23. The Villeta U interval 9250 – 9270 feet was perforated and then tested using a hydraulic pump. The test rate during the final 4 hours of the 34 hour flow test was 1108 barrels oil per day of 31 degree API oil with a watercut of 5%.

## Villeta T Sand

A total of 21 feet of net oil pay was encountered in the Villeta Lower T formation. The gross oil-bearing interval is approximately 34 feet and the reservoir exhibits porosity of 20% and a water saturation of 30%. The entire reservoir interval was cored in this well and pressure tests were not taken. Interpretation of the gathered information indicates an oil-water contact at the base of the oil-bearing interval. From December 14 to December 17, the Villeta Lower T interval 9422 to 9436 feet was perforated and tested using a hydraulic pump. The test rate during the final 4 hours of the 40 hour flow test was 958 bopd of 34 degree API oil with watercut of 13%. This interval was then temporarily suspended with a retrievable plug to allow testing of the overlying Villeta U Sand.

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**

Certain information regarding the Corporation contained herein may constitute forward looking statements within the meaning of applicable securities laws. Forward looking statements may include estimates, plans, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of facts. Although the Corporation believes that the expectations reflected in such forward looking statements are reasonable, it can give no assurance that such expectations will be realized. These statements are subject to certain risks and uncertainties and may be based on assumptions that could cause actual results to differ materially from those anticipated or implied in the forward looking statements. The Corporation's forward looking statements are expressly qualified in their entirety by this cautionary statement.

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](http://www.suroco.com).

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