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*For Immediate Release*

Calgary, Alberta

July 12, 2010

**SUROCO ENERGY INC. AND WINCHESTER OIL & GAS S.A. ANNOUNCE  
TERMINATION OF PROPOSED MERGER.**

Suroco Energy Inc. (TSX Venture Exchange: SRN) ("**Suroco**" or the "**Corporation**") and Winchester Oil & Gas S.A. ("**Winchester**") announce that they have jointly decided to terminate the proposed merger between the two companies that the Corporation previously detailed in its April 22, 2010, April 30, 2010, May 4, 2010 and May 21, 2010 press releases.

Suroco's President and Chief Executive Officer, Alastair Hill said, "Due to the prevailing market conditions and the uncertainties this has created on oil and gas asset valuations, we do not think it is the right time to complete the proposed transaction. This was a decision that was mutually arrived at by both parties and one which I believe will be in the best interest of Suroco's existing shareholders at this point in time. In the last nine months we have worked closely with Winchester and although this brings to a close the current negotiations we intend to continue to work with Winchester in evaluating other exploration and production opportunities in Colombia."

As a result of the aforementioned termination, the Corporation has also terminated the \$50 million dollar equity financing that was being conducted in connection with the proposed merger transaction with Winchester that the Corporation detailed in its press releases of April 30, 2010 and May 4, 2010.

**For further information please contact:**

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- or -

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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.***

*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.*

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