



302, 1300 – 8th Street S.W.
Calgary, Alberta T2R 1B2

For Immediate Release

Calgary, Alberta

May 4, 2010

SUROCO ENERGY INC. ANNOUNCES UPDATE TO \$50 MILLION DOLLAR EQUITY FINANCING TO BE CONDUCTED IN CONNECTION WITH PROPOSED REVERSE TAKE-OVER TRANSACTION

Suroco Energy Inc. (TSX Venture Exchange: SRN) ("**Suroco**" or the "**Corporation**") is pleased to announce that further to its April 30, 2010 press release whereby it announced its execution of an equity financing agreement (the "**Agreement**") with Raymond James Ltd. ("**Raymond James**") to lead a syndicate of investment dealers (collectively, the "**Syndicate**"), on a "best efforts" agency basis, in an offering (the "**Offering**") of subscription receipts of the Corporation ("**Subscription Receipts**"), the Syndicate and pricing of the Subscription Receipts has been determined.

As mentioned, the Syndicate will be lead by Raymond James, and will include TD Securities Inc., FirstEnergy Capital Corp., Macquarie Capital Markets Canada Ltd. and Jennings Capital Inc.

The Offering will be a private placement of up to approximately 76.9 million Subscription Receipts at a price of \$0.65 per Subscription Receipt, for gross proceeds of up to \$50 million.

The Offering is being conducted in connection with the previously announced proposed arm's length merger (the "**Proposed Transaction**") of the Corporation and Winchester Oil & Gas S.A. ("**Winchester**"), a transaction which will constitute a reverse take-over and a change of control of the Corporation. On April 22, 2010, the Corporation announced it had entered into a binding letter of intent with Winchester and its shareholders setting forth the initial terms and conditions of the Proposed Transaction. Under the Proposed Transaction, the Corporation will acquire all of the issued and outstanding shares of Winchester in exchange for US\$30 million (the "**Cash Consideration**") and 200,000,000 common shares in the capital of the Corporation. Please refer to the Corporation's April 22, 2010 press release for further information about the Proposed Transaction.

Each Subscription Receipt will be exchanged for one (1) common share of the Corporation upon the completion Proposed Transaction, without additional payment and upon satisfaction of certain conditions. Holders of Subscription Receipts will receive a return of the full purchase price, together with their pro rata entitlement to interest thereon, if the Proposed Transaction does not close as required or by August 12, 2010.

The net proceeds of this proposed offering of Subscription Receipts will be held in escrow pending completion of the Proposed Transaction and will, upon release, be used to fund the Cash Consideration and to fund the Corporation's business operations and for general

corporate purposes. The offering of Subscription Receipts is anticipated to close on or about June 3, 2010 or such other date or dates that the Corporation and Raymond James (on behalf of the Syndicate) agree

The Syndicate will, in aggregate, receive a cash commission equal to 6% of the aggregate gross proceeds of the offering of the Subscription Receipts, subject to reduction to 3% for subscriptions from the "President's List".

All securities issued in connection with the Offering will be subject to a four-month hold period.

Forward-Looking Statements

This press release contains forward-looking statements relating to the Proposed Transaction, including statements regarding the consideration for the Proposed Transaction, the Brokered Financing, issuing further announcements concerning the offering of the Subscription Receipts 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; that the offering of the Subscription Receipts will not be completed; and the state of the economy in general and capital markets in particular.

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

Telephone: (403) 232-6784

The TSX Venture Exchange has in no way passed on the merits of the Proposed Transaction (including the offering of the Subscription Receipts) and has neither approved nor disapproved the contents of the press release. Completion of the Proposed Transaction (including the offering of the Subscription Receipts) 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 (including the offering of the Subscription Receipts) 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)