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For Immediate Release

Calgary, Alberta

April 22, 2010

SUROCO ENERGY INC. ANNOUNCES AGREEMENT TO MERGE WITH WINCHESTER OIL & GAS S.A. BY WAY OF REVERSE TAKE-OVER

Suroco Energy Inc. (TSX Venture Exchange: SRN) ("**Suroco**" or the "**Corporation**") is pleased to announce that it has entered into a binding letter of intent (the "**Agreement**") dated April 20, 2010, for the arm's length merger (the "**Proposed Transaction**") of the Corporation and Winchester Oil & Gas S.A. ("**Winchester**"). Winchester is a Panama incorporated company that currently produces approximately 731 barrels per day net after royalty of light oil and holds working interests in six blocks in Colombia, two of which it operates. 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 (the "**Exchange**").

Commenting on the Proposed Transaction, Suroco's President and Chief Executive Officer, Alastair Hill said, "I am delighted to announce this transaction with Winchester, which I believe will be transformational for Suroco and of great value to our shareholders and beneficial to the continued development of the oil and gas industry of Colombia. By consolidating our assets and operational and technical abilities and bringing together the skill sets of the two management groups, we will create the foundation for a very successful and focused company in Colombia that has the opportunity and potential to grow its reserves and production dramatically in the near term and into the future. The combined company would be debt free and would have approximately 1,608 barrels per day net after royalty of light oil production. By combining Suroco's core assets in the Putumayo Basin and Winchester's core assets in the Llanos Basin, we would have a very active drilling program comprising approximately seven gross wells in 2010 and approximately ten gross wells in 2011. Winchester will commence its drilling program in the Yamu Block (a block in which it is the operator) in May and will target multiple, drill-ready, 3D seismic-supported exploration prospects located close to existing production facilities, which would allow new discoveries to be brought on stream quickly and efficiently. Additionally, during 2010, we will be continuing our appraisal and development drilling program in the Suroriente Block about which we will be providing an operational update in the near future".

Mr. Orlando Sardi de Lima, Winchester's President, commented, "Winchester is extremely satisfied with this transaction. We feel that joining forces with Suroco will create a stronger entity that will be able to play a larger role in Colombian exploration and will be better equipped to profit from future opportunities in Colombia. This transaction joins Suroco's technical capabilities with Winchester's strong reputation, local operational experience, intimate country knowledge and a 100% track record in its operating wells in the Llanos Basin."

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 (the “**Share Consideration**”). At the time the Agreement was executed, the common shares of the Corporation were halted at a price of \$0.67 per share. The Cash Consideration will be subject to adjustment based upon working capital adjustments and the Share Consideration may be adjusted based upon anti-dilution provisions. Upon completion of the Proposed Transaction, Winchester will become a wholly-owned subsidiary of the Corporation.

Pursuant to the Letter of Intent, the parties have agreed to a period of exclusive dealing, during which time they will continue their due diligence on one another and proceed with negotiation of a definitive agreement (the “**Definitive Agreement**”) setting forth the comprehensive and definitive terms and conditions of the Proposed Transaction. The parties have agreed that, among other terms and conditions, the Definitive Agreement will provide that upon completion of the Proposed Transaction or as soon as is reasonably practicable after closing of the Proposed Transaction, Suroco shall ensure that two nominees of Winchester will be appointed to the Board of Directors of the Corporation, such that upon such appointments occurring, there will be nine (9) members of the Board of Directors of the Corporation.

The parties have agreed to customary deal protection measures, including mutual non-solicitation provisions.

The completion of the Proposed Transaction is subject to customary conditions, including the finalization of the Definitive Agreement, completion of due diligence, applicable board of directors and shareholder approvals, Exchange and regulatory approvals, other third party approvals and satisfactory completion of the Brokered Financing.

Further details concerning the Proposed Transaction and other matters referred to in this press release, including financial information in respect of Winchester, will be announced if and when a Definitive Agreement is reached.

The Brokered Financing

Concurrently with the Proposed Transaction, Suroco expects to raise at least US\$50 million (unless otherwise agreed between the parties) in equity (the “**Brokered Financing**”). The net proceeds of the Brokered Financing are expected to be used to fund the Cash Consideration and to fund the combined company’s business operations and for general corporate purposes.

The Corporation and Winchester are currently in discussions with registered dealers concerning the Brokered Financing but there is no assurance that an agreement to undertake a financing will be reached or that such financing will be completed. Further details regarding the Brokered Financing will be made available upon the Corporation reaching an agreement to undertake such financing.

About Winchester

Winchester is a company incorporated in Panama and which has been active in Colombia since 2002. Winchester presently holds working interests in the following oil and gas blocks in

Colombia: Yamu Block (net working interest of 54.5% in existing production wells and 60-75% in future exploration wells), Llanos Block 34 (40%), La Sierra Block (24.5%), Cerrito Block (10%), Abanico Block (10%) and Arrendajo Block (10%). Winchester is the operator for the Yamu Block and the Llanos Block 34.

Winchester's key properties are the Yamu Block and Llanos Block 34, both of which are operated blocks located in the Llanos Basin. Winchester currently produces approximately 731 barrels per day net after royalty of light oil, of which approximately 501 barrels per day net after royalty is operated production from the Carupana Field located within the Yamu Block, with the remainder being non-operated production from the Abanico Block that is operated by Pacific Rubiales Energy. In May, Winchester will be commencing a multi-well, operated exploration drilling program in the Yamu Block which is expected to continue throughout 2010. The drilling prospects in the Yamu Block have all been developed using 3D seismic that was acquired in 2009 and will be the first prospects to be drilled on the basis of 3D seismic since the block was licensed. Winchester's net working interest may vary between 60-75%, although in one or more of these wells, its costs will be reduced through the effect of farmout agreements with its partners. In the Llanos Block 34, an extensive 3D seismic program is presently being acquired in preparation for exploration drilling in 2011.

About Suroco

The Corporation is a Calgary-based junior oil and gas company, which explores for, develops 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.

The Corporation presently holds working interests in the following oil and gas blocks in Colombia: Alea 1848A Block (50%), Alea 1947C Block (24.5%), Suroriente Block (15.8%), Arjona Block (32.5%) and Hato Nuevo Block (9.9%). The Corporation also has an option to acquire a 28% net working interest in the Llanos Block 33.

The Corporation's key properties are located in the Putumayo Basin, where production from the Suroriente Block during the month of April has averaged 6,011 barrels per day (875 barrels per day net after royalty to Suroco). Following the new pool discovery made by the Pinuna 5 well (which was described in the Corporation's press releases of February 8, 2010 and March 1, 2010) it is anticipated that several appraisal and development wells will be drilled during 2010. In the Corporation's two exploration blocks in Putumayo, drilling prospects have been matured with infill 2D seismic and it is anticipated that two exploration wells will be drilled, commencing in either late 2010 or early 2011.

Raymond James Ltd. has acted as financial advisor to the Corporation for the Proposed Transaction.

Trading in the shares of the Corporation have been halted in accordance with the policies of the Exchange and will remain halted until such time as all required documentation has been filed with and accepted by the Exchange and permission to resume trading has been obtained from the Exchange.

The Corporation intends to apply to the Exchange for a waiver from the requirement to retain a sponsor in connection with the Proposed Transaction; however, there is no assurance that such a waiver will be granted.

A copy of the Letter of Intent will be filed with the applicable Canadian securities regulatory authorities and will be available under Suroco's SEDAR profile at www.sedar.com.

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 anticipated reverse take-over of Suroco, the Brokered Financing, issuing further announcements concerning the Proposed Transaction and other matters, the receipt of all necessary regulatory approval and satisfaction of all closing conditions in connection with the Proposed Transaction, 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 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 assumptions relating to the parties entering into the Definitive Agreement in respect of the Proposed Transaction; that the Brokered Financing will not be completed; 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 -

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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 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)