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For Immediate Release

Calgary, Alberta

August 25, 2011

SUROCO ENERGY INC. ANNOUNCES FILING OF SECOND QUARTER FINANCIAL STATEMENTS AND MD&A

Suroco Energy Inc. (TSX Venture Exchange: SRN) (the "**Corporation**") is pleased to announce that it has filed its Unaudited Interim Consolidated Financial Statements and related Management's Discussion and Analysis ("**MD&A**") for the quarter and six months ended June 30, 2011 on the System for Electronic Document Analysis and Retrieval ("**SEDAR**").

Copies of these documents can be found on the SEDAR website at www.sedar.com.

Alastair Hill, the Corporation's President and CEO commented, "During the second quarter we achieved a record average production rate of just over 1,000 barrels per day net to the Corporation after royalty. Additionally we achieved pricing above WTI for our light oil production with an average sales price of \$98.40 for combined light and medium gravity oil. Taken together, production and pricing resulted in sales revenue for the quarter of \$9.3 million and cash flow of \$0.03 per share. At the end of the quarter there were 34 days of unsold production remaining in inventory for future sales.

Unit operating costs were higher than the first quarter as a result of workovers undertaken in three wells. Two of the workovers involved completing additional zones in wells with previously non-producing reserves and one was a replacement of a downhole pump unit.

The bulk of capital expenditure was directed towards drilling in the Surorient Block during the quarter with very positive results. The Cohembi-2 and Cohembi-3 stepout wells extended the proven area of the field intersecting excellent quality oil bearing reservoir, with no indications of an oil-water contact. Taken together the two wells resulted in 470 barrels per day of oil production net to the Corporation after royalty. These results have increased our confidence in the potential of the Cohembi oilfield and during the second half of the year we will use the information gained from these two wells and the core samples to progress a full field development model for Cohembi which we plan to implement with further drilling in 2012."

Financial & Operating Highlights

(All references to \$ are United States dollars unless otherwise noted)

| | 3 months ended June 30 | | 6 months ended June 30 | |
|--|------------------------|-------------|------------------------|-------------|
| | 2011 | 2010 | 2011 | 2010 |
| Financial | | | | |
| Oil and gas revenue (\$) | 9,307,448 | 8,642,383 | 18,692,072 | 12,606,464 |
| Funds flow from operations (1) (\$) | 3,611,509 | 2,934,527 | 6,211,567 | 5,258,329 |
| Per share – basic (\$) | 0.03 | 0.03 | 0.05 | 0.06 |
| Per share – diluted (\$) | 0.02 | 0.02 | 0.04 | 0.04 |
| Net income (loss) (\$) | 1,069,175 | 1,184,655 | 943,642 | 1,600,808 |
| Net income (loss) attributable to shareholders (\$) | 169,074 | (158,105) | (788,330) | (394,008) |
| Per share – basic (\$) | 0.00 | 0.00 | (0.01) | 0.00 |
| Per share – diluted (\$) | 0.00 | 0.00 | (0.00) | 0.00 |
| Total assets (\$) | 55,103,613 | 37,010,450 | 55,103,613 | 37,010,450 |
| Net working capital (1) (\$) | 10,830,412 | 4,656,579 | 10,830,412 | 4,656,579 |
| Common shares outstanding, end of period | | | | |
| Basic | 121,643,176 | 90,674,730 | 121,643,176 | 90,674,730 |
| Diluted | 158,990,729 | 127,973,679 | 158,990,729 | 127,973,679 |
| Operational | | | | |
| Average daily net after royalty production (boe per day) | 1,011 | 917 | 857 | 750 |
| Average reference price – WTI (\$ per barrel) | | | | |
| Operating Netback (\$ per barrel) | | | | |
| Average realized price | 98.40 | 71.12 | 89.45 | 70.03 |
| Royalties | 7.88 | 5.28 | 6.90 | 5.21 |
| Production and transportation expenses | 29.65 | 19.55 | 23.50 | 17.20 |
| Operating Netback | 60.87 | 46.28 | 59.05 | 47.62 |

(1) Non-GAAP measure. See “Non-GAAP Measures” section within the MD&A.

Highlights

- Placed the Cohemi-2 well on production immediately prior to the beginning of the quarter and achieved average production of approximately 1,467 barrels of oil per day (approximately 214 barrels per day net to the Corporation after royalties) for the quarter.
- Placed the Cohemi-3 well on production on May 14, 2011 after which it averaged approximately 1,755 barrels of oil per day (approximately 256 barrels per day net to the Corporation after royalties) for the remainder of the quarter.
- Achieved a number of milestones for the Corporation including highest average quarterly production of 1,011 barrels per day net to the Corporation after royalties; record realized prices of \$98.40 per barrel; and record operating netback of \$60.87 per barrel.
- Exited the quarter with production of 1,031 barrels per day net to the Corporation after royalties and with approximately 34 days of unsold oil in inventory to be sold in the third quarter of 2011.

- Completed optimization work to increase capacity in Cohembi and Quillacinga by adding 3,000 barrels of storage and a 5,000 barrel per day separator.
- Found an alternative market for Cohembi crude oil by shipping to the Neiva pipeline where medium crude oil prices are approximately \$10 per barrel higher than into Orito.

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 operational and exploration activities for the Corporation, evaluation of certain prospects in which the Corporation holds an interest or may acquire an interest, and other statements that are not historical facts. 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, estimates, 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 state of the economy in general and capital markets in particular; fluctuations in oil prices; the results of exploration and development drilling, recompletions and related activities; the uncertainty of reserve estimates; changes in environmental and other regulations; risks associated with oil and gas operations and future exploration activities; and other factors, many of which are beyond the control of the Corporation. You can find an additional discussion of those assumptions, risks and uncertainties in the Corporation's Canadian securities filings.

The forward-looking statements contained in this press release are made as of the date of this press release. Except as required by law, the Corporation 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, the Corporation 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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