



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

For Immediate Release

Calgary, Alberta

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**SUROCO ENERGY INC. ANNOUNCES 2010 YEAR-END RESERVES WITH
61% INCREASE IN GROSS PROVED RESERVES IN COLOMBIA
AFTER ACCOUNTING FOR 2010 PRODUCTION**

Suroco Energy Inc. (TSX Venture Exchange: SRN) (the “**Corporation**”) is pleased to announce the results of the independent reserves reports effective December 31, 2010 for the Corporation (the “**GLJ Report**”). The Corporation’s Colombian and Canadian reserves were evaluated by GLJ Petroleum Consultants of Calgary, Alberta (“**GLJ**”) in compliance with National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* and in accordance with the COGE (Canadian Oil and Gas Evaluation) Handbook.

2010 YEAR-END RESERVE HIGHLIGHTS

- ✓ Total proved reserves of approximately 1.0 million barrels (net after royalty), with a net present value (before tax and discounted at 10%) of approximately \$41.5 million.
- ✓ Total proved plus probable reserves of approximately 1.6 million barrels (net after royalty), with a net present value (before tax and discounted at 10%) of approximately \$62.2 million.
- ✓ Total proved, probable and possible reserves of approximately 2.7 million barrels (net after royalty), with a net present value (before tax and discounted at 10%) of \$99.1 million.
- ✓ For the Corporation’s Colombia properties:
 - total gross proved reserves in Colombia increased by 61% when compared with the same reserves category as at December 31, 2009 after accounting for 2010 production;
 - total gross proved plus probable reserves in Colombia increased by 43% when compared with the same reserves category as at December 31, 2009 after accounting for 2010 production; and
 - total gross proved plus probable plus possible reserves in Colombia increased by 64% when compared with the same reserves category as at December 31, 2009 after accounting for 2010 production.

2010 RESERVES

A complete filing of the Corporation's Statements of Reserves Data and Other Oil and Gas Information (form 51-101F1), Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor (form 51-101F2) and Report of Management and Directors on Oil and Gas Disclosure (form 51-101F3), is available under the Corporation's profile on SEDAR (www.sedar.com).

The following table summarizes the Corporation's oil and gas reserves as at December 31, 2010.

CONSOLIDATED SUMMARY OF OIL AND GAS RESERVES BASED ON FORECAST PRICES AND COSTS

Reserves Category	Corporation Reserves ⁽¹⁾							
	Light and Medium Oil		Heavy Oil		Natural Gas		Natural Gas Liquids	
	Gross MSTB	Net MSTB	Gross MSTB	Net MSTB	Gross MMscf	Net MMscf	Gross Mbbbl	Net Mbbbl
PROVED								
Developed Producing ⁽²⁾⁽⁶⁾	689	635	-	-	-	-	-	-
Developed Non-Producing ⁽²⁾⁽⁷⁾	64	59	-	-	-	-	-	-
Undeveloped ⁽²⁾⁽⁸⁾	358	329	-	-	-	-	-	-
TOTAL PROVED⁽²⁾	1,111	1,023	-	-	-	-	-	-
TOTAL PROBABLE⁽³⁾	606	556	-	-	-	-	-	-
TOTAL PROVED + PROBABLE⁽²⁾⁽³⁾	1,717	1,579						
TOTAL POSSIBLE⁽⁴⁾	1,236	1,131						
TOTAL PROVED + PROBABLE + POSSIBLE⁽²⁾⁽³⁾⁽⁴⁾	2,953	2,711	-	-	-	-	-	-

See Notes to Tables below.

The following table summarizes the Corporation's net present values of future net revenue as at December 31, 2010.

CONSOLIDATED SUMMARY OF NET PRESENT VALUES BASED ON FORECAST PRICES AND COSTS

Reserves Category	Net Present Values of Future Net Revenue									
	Before Income Tax					After Income Tax				
	Discounted at					Discounted at				
	0%/yr \$M	5%/yr. \$M	10%/yr. \$M	15%/yr. \$M	20%/yr. \$M	0%/yr \$M	5%/yr. \$M	10%/yr. \$M	15%/yr. \$M	20%/yr. \$M
PROVED										
Developed Producing ⁽²⁾⁽⁶⁾	34,862	32,222	30,079	28,287	26,758	25,470	23,367	21,690	20,308	19,140
Developed Non-Producing ⁽²⁾⁽⁷⁾	3,761	3,435	3,170	2,951	2,767	2,581	2,334	2,136	1,973	1,839
Undeveloped ⁽²⁾⁽⁸⁾	11,155	9,553	8,282	7,259	6,425	7,408	6,087	5,059	4,247	3,598
TOTAL PROVED⁽²⁾	49,778	45,210	41,531	38,497	35,950	35,458	31,788	28,885	26,528	24,577
TOTAL PROBABLE⁽³⁾	29,562	24,498	20,714	17,799	15,500	20,841	16,922	14,035	11,836	10,119
TOTAL PROVED + PROBABLE⁽²⁾⁽³⁾	79,341	69,708	62,245	56,296	51,450	56,300	48,711	42,920	38,364	34,696
TOTAL POSSIBLE⁽⁴⁾	60,792	46,604	36,848	29,859	24,683	41,377	31,141	24,142	19,151	15,471
TOTAL PROVED + PROBABLE + POSSIBLE⁽²⁾⁽³⁾⁽⁴⁾	140,133	116,312	99,093	86,155	76,133	97,676	79,851	67,062	57,515	50,167

See Notes to Tables below.

The price forecast used in the variable dollar economics is available in the Corporation's Statements of Reserves Data and Other Oil and Gas Information (form 51-101F1) under the Corporation's profile on SEDAR (www.sedar.com) and on the GLJ website at www.gljpc.com.

The following table sets forth a reconciliation of the Corporation's reserves by product type:

**CONSOLIDATED PROPERTIES RECONCILIATION OF CORPORATION GROSS
RESERVES BY PRINCIPAL PRODUCT TYPE
BASED ON FORECAST PRICES AND COSTS**

	Light and Medium Oil					Heavy Oil				
	Gross Proved (Mbbl)	Gross Probable (Mbbl)	Gross Proved Plus Probable (Mbbl)	Gross Possible (Mbbl)	Gross Proved Plus Probable Plus Possible (Mbbl)	Gross Proved (Mbbl)	Gross Probable (Mbbl)	Gross Proved Plus Probable (Mbbl)	Gross Possible (Mbbl)	Gross Proved Plus Probable Plus Possible (Mbbl)
At December 31, 2009	708	519	1,226	-	-	-	-	-	-	-
Production (Sales)	(303)	-	(303)	-	-	-	-	-	-	-
Acquisitions	-	-	-	-	-	-	-	-	-	-
Dispositions	-	-	-	-	-	-	-	-	-	-
Discoveries	220	(220)	-	-	-	-	-	-	-	-
Extensions	456	(19)	437	-	-	-	-	-	-	-
Revisions to Previous Estimate	-	-	-	-	-	-	-	-	-	-
Economic Factors	-	-	-	-	-	-	-	-	-	-
Technical Revisions	30	326	357	-	-	-	-	-	-	-
Improved Recovery	-	-	-	-	-	-	-	-	-	-
At December 31, 2010	1,111	606	1,717	-	-	-	-	-	-	-

IMPACT OF OPERATIONAL ACTIVITIES ON RESERVES

The Corporation's activities in the Suroriente Block of Colombia during 2010 resulted in an upward adjustment in the Corporation's total gross proved plus probable reserves of 794 thousand barrels (before deduction of production in 2010). This significant increase is primarily attributable to activities in two particular producing fields and zones:

1. Cohembi N Sand - accurate surveillance of producing rates and pressures, plus a detailed fluid property study has enabled the Corporation to successfully conduct a reservoir simulation study of the pool. History matching of the 6-year production trend indicates that the Cohembi-1 well is producing from a large oil pool that does not exhibit aquifer support. Accordingly, proved and probable reserves have been assigned by GLJ using a recovery factor of 9%. Additional delineation of the pool and further reservoir engineering studies will allow the Corporation to investigate whether further improvement of this recovery factor is achievable. The large size of the pool, and the possibility of significantly improving recovery with well-established recovery techniques has made the development of the Cohembi Villeta N oil pool the primary focus for Suroriente in 2011. This process is underway with the first appraisal well, Cohembi-2 recently being spudded. See the Corporation's January 28, 2011 press release for more information about the Cohembi-2 well.

2. Pinuna U Sand – Production performance of the Pinuna 5 well, and drilling and evaluation of Pinuna-2 and Pinuna-3 during 2010 resulted in reserve booking increases in both the northern and central areas of the Pinuna field.

RESERVES COMMITTEE

The Corporation has a reserves committee, which has a majority of independent board members, which reviews the qualifications and appointment of the independent reserve evaluators. The committee also reviews the procedures for providing information to the evaluators. All booked reserves are based upon annual evaluations by the independent qualified reserve evaluators in accordance with the COGE (Canadian Oil and Gas Evaluation) Handbook. The evaluations are conducted from the fundamental geological and engineering data. The reserves committee, chaired by Daryl Gilbert, has reviewed the reserves information and approved the reserves report.

GENERAL

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.

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.

Telephone: (403) 232-6784 Facsimile: (403) 232-6747

Forward Looking Statements

Certain statements included in this press release constitute forward-looking statements under applicable securities legislation. These statements relate to future events or future performance of the Corporation. All statements other than statements of historical fact are forward-looking statements. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", or the negative of these terms or other comparable terminology. Forward-looking statements or information in this press release include, but are not limited to, the characteristics of the Corporation's oil and natural gas properties, reserve quantities and the discounted present value of future net cash flows from such reserves, net revenue, capital expenditures, exploration plans and development plans. In addition, this press release may contain forward-looking statements attributed to third party industry sources. Undue reliance should not be placed on these forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By its nature, forward-looking information involves 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. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements or information prove incorrect, actual results may vary materially from those described in this press release as intended, planned, anticipated, believed, estimated, or expected.

Although the Corporation believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. The Corporation cannot guarantee future results, levels of activity, performance, or achievements. Moreover, neither the

Corporation nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements.

The Corporation does not intend and does not assume any obligation, to update these forward-looking statements or information to reflect new information, subsequent events or otherwise, except as required by law. New factors emerge from time to time, and it is not possible for management of the Corporation to predict all of these factors and to assess in advance the impact of each such factor on the Corporation's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement or information. The forward-looking statements contained herein are expressly qualified by this cautionary statement.

See the Corporation's Statements of Reserves Data and Other Oil and Gas Information (form 51-101F1) under the Corporation's profile on SEDAR (www.sedar.com) for more information on the assumptions and risks contained in the forward looking statements contained herein and in the GLJ Report.

Statements relating to "reserves" are deemed to be forward-looking statements or information, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described can be profitable in the future. There are numerous uncertainties inherent in estimating quantities of proved reserves, including many factors beyond the control of the Corporation. The reserve data included herein represents estimates only. In general, estimates of economically recoverable oil and natural gas reserves and the future net cash flows therefrom are based upon a number of variable factors and assumptions, such as historical production from the properties, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary considerably from actual results. All such estimates are to some degree speculative and classifications of reserves are only attempts to define the degree of speculation involved. For those reasons, estimates of the economically recoverable oil and natural gas reserves attributable to any particular group of properties and classification of such reserves based on risk of recovery and estimates of future net revenues expected therefrom, prepared by different engineers or by the same engineers at different times, may vary substantially. The actual production, revenues, taxes and development and operating expenditures of the Corporation with respect to these reserves will vary from such estimates, and such variances could be material.

Estimates with respect to proved reserves that may be developed and produced in the future are often based upon volumetric calculations and upon analogy to similar types of reserves rather than actual production history. Estimates based on these methods are generally less reliable than those based on actual production history. Subsequent evaluation of the same reserves based upon production history will result in variations, which may be substantial, in the estimated reserves.

Consistent with the securities disclosure legislation and policies of Canada, the Corporation has used forecast prices and costs in calculating reserve quantities included herein. Actual future net cash flows also will be affected by other factors such as actual production levels, supply and demand for oil and natural gas, curtailments or increases in consumption by oil and natural gas purchasers, changes in governmental regulation or taxation and the impact of inflation on costs

All evaluations of future revenue are after the deduction of future income tax expenses, unless otherwise noted in the tables, royalties, development costs, production costs and well abandonment costs but before consideration of indirect costs such as administrative, overhead and other miscellaneous expenses. The estimated future net revenue contained in the tables above does not necessarily represent the fair market value of the Corporation's reserves. There is no assurance that the forecast price and cost assumptions contained in the GLJ Report will be attained and variances could be material. Other assumptions and qualifications relating to costs and other matters are included in the GLJ Report. The recovery and reserves estimates on the Corporation's properties described herein are estimates only. The actual reserves on the Corporation's properties may be greater or less than those calculated.

Notes to Tables

1. "Gross Reserves" are the Corporation's working interest (operating or non-operating) share before deducting of royalties and without including any royalty interests of the Corporation. "Net Reserves" are the Corporation's working interest (operating or non-operating) share after deduction of royalty obligations, plus the Corporation's royalty interests in reserves.
2. "Proved" reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.
3. "Probable" reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.
4. "Possible" reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves.
5. "Developed" reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (e.g. when compared to the cost of drilling a well) to put the reserves on production.
6. "Developed Producing" reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.
7. "Developed Non-Producing" reserves are those reserves that either have not been on production, or have previously been on production, but are shut in, and the date of resumption of production is unknown.
8. "Undeveloped" reserves are those reserves expected to be recovered from know accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable, possible) to which they are assigned.

Some values in the tables set forth above may not add due to rounding.

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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