

Attention Suroco Shareholders

TAKE IMMEDIATE ACTION

Vote AGAINST the current arrangement
to realize the certain and full value
cash offer of:

CDN \$ 0.60 / share

*Ensure your vote is received by
12 p.m. June 20, 2014, Calgary time*

For voting assistance, please contact Kingsdale Shareholder Services
at 1-855-682-8087 or email: contactus@kingsdaleshareholder.com



VOTE YOUR BLUE PROXY TODAY



**A COMPELLING AND SUPERIOR ALL CASH OFFER FOR
ALL OF YOUR COMMON SHARES IN SUROCO ENERGY INC.**

June 9, 2014

Dear Suroco Shareholder:

VETRA Holding S.a.r.l., through our wholly-owned subsidiary Vetra Acquisition Ltd., is making an all-cash offer to purchase all of the issued and outstanding common shares of Suroco Energy Inc. (TSXV "SRN") at a price of CDN\$0.60 per share (the "Offer").

We believe that our Offer is compelling and superior to the proposed Plan of Arrangement with Petroamerica and that you should accept our Offer for the following reasons:

Significant Premium: The Offer is CDN\$0.60 per Suroco share. VETRA's Offer provides Suroco shareholders with enhanced value and price certainty compared to Petroamerica's all-share offer, which exposes Suroco shareholders to price volatility and illiquidity. The Offer represents a premium of:

- 86% to the trading price of Suroco shares prior to announcement of the Petroamerica Arrangement based on the 20 day volume-weighted-average-trading price ("VWAP").
- 11% to Petroamerica's all-share offer based on the VWAP since announcement of the Petroamerica Arrangement.

Cash Consideration and Certainty of Value: The Offer provides Suroco shareholders with immediate cash and certainty of value, allowing shareholders to de-risk their current investment and realize value for Suroco's assets in excess of the value currently being ascribed to those assets by the stock market and at a price higher than the Suroco shares have traded at any time since September, 2011. Petroamerica's all-share offer imposes illiquidity and price uncertainty to Suroco shareholders:

- **Petroamerica shares are highly illiquid.** Based on the average daily volume of Petroamerica shares for the one year prior to announcement of the Petroamerica Arrangement, it would take Suroco shareholders over 150 trading days to sell all Petroamerica shares received pursuant to the Petroamerica Arrangement (equivalent to over seven calendar months).
- **Petroamerica's share price is highly volatile.** Over the last twelve months, Petroamerica common shares have traded as low as \$0.205, which implies a value of \$0.36 per Suroco share based on the exchange ratio of 1.7627 Petroamerica shares per Suroco share.

The Petroamerica Arrangement Exposes Suroco Shareholders to Significant Ongoing Risks:

- Petroamerica and Suroco are non-operating minority partners in each of their respective primary assets and have limited operational control and authority over pace of development, capital spending and ultimate outcome of investment activities. While Petroamerica has indicated its intention to seek operator status, the expected timeline is lengthy and there can be no assurance that it will be successful.

- Petroamerica's and Suroco's respective exploration and business development activities have not yielded value creation for their shareholders outside of their non-operated assets, yet further value creation for Suroco shareholders is dependent on the pro forma team's ability to successfully execute on untested exploration concepts.
- Both Petroamerica and Suroco continue to make significant financial commitments, including expensive promoted farm-in transactions and royalty payments, on non-operated exploration assets in an attempt to stem high expected natural production declines.
- If combined, Petroamerica and Suroco would have a dispersed asset base focused exclusively in different locations of Colombia. Neither operating cost nor overhead savings have been outlined as part of the proposed Petroamerica Arrangement; we believe there are minimal synergies that would accrue to the benefit of Suroco shareholders.
- Petroamerica's principal producing asset, the Las Maracas field, recently transitioned to a significantly higher royalty rate of over 30% (compared to 8% initially) due to its cumulative production, and according to Petroamerica management estimates, is expected to start production declines in the second half of 2014.
- Based on research analyst consensus forecasts, Petroamerica's cash flow per common share including the acquisition of Suroco, is forecast to decline from \$0.18 in 2013 to \$0.13 in 2014 (a decline of 29%) and to \$0.11 in 2015 (total decline of 39%).
- Petroamerica's reserve base also reflects a lack of sustainability, as Petroamerica failed to replace production in the 2013 calendar year and proved and proved plus probable reserves declined 3% and 4%, respectively, while proved plus probable reserve life index stands at only 2.1 years. In addition, Petroamerica's production is highly concentrated and susceptible to being taken offline through operational problems, community issues or worker strikes, which are common in Colombia. As at December 31, 2013, all of Petroamerica's oil production was from only 10 gross (4.70 net) wells.
- Despite contributing a significant portion of pro forma assets upon completion of the proposed Arrangement, Suroco shareholders will only be represented by one additional director on Petroamerica's board of directors, with that person to be agreed upon by both Suroco and Petroamerica.

Petroamerica and Suroco Pro Forma Lack Financial Capacity: Petroamerica and Suroco, on a pro forma basis, do not have the required funding to adequately develop the existing asset base or execute a significant exploration program:

- Petroamerica and Suroco require substantial capital to develop their asset bases. Debt and equity capital markets remain very challenging for small cap companies focused on international energy projects. Future financing is likely to be on terms that are highly dilutive for shareholders.
- For financing to date, both Suroco and Petroamerica have relied significantly on high cost term debt financing (rather than lower cost, more flexible revolving facilities) that has often included warrant issuances, and also on equity financing and other instruments dilutive to equity holders.
- Equity market valuations tend to be lower for non-operated producers. The Petroamerica Arrangement exacerbates this issue by combining Suroco's non-operated assets with Petroamerica's non-operated assets.
- The Suroco Information Circular states that Petroamerica is expected to have a pro forma cash balance of \$62 million after giving effect to the Arrangement. Since the date of the Arrangement Agreement, the two companies have added additional non-operated exploration capital commitments totalling up to \$22 million.

- Petroamerica has \$35 million of 11.5% notes outstanding that mature on April 19, 2015, which will need to be repaid. In addition, the notes had 3.5 million Petroamerica common share purchase warrants attached that are exercisable at \$0.20 per share and will cause further dilution to Petroamerica and Suroco shareholders.
- The Suroriente Association Contract that outlines Suroco's interest in the Suroriente field terminates in 2024 with the asset reverting back to Ecopetrol. Underinvestment in the asset may lead to a reduction in reserves and destruction of value for Suroco shareholders.

Suroco's Board of Directors Presented Suroco Shareholders with a Single Alternative Without Pursuing Competing Proposals:

- Suroco has refused to engage in meaningful discussions with VETRA around offers that were competitive and compelling.
- The Suroco Board of Directors approved the transaction with Petroamerica and agreed to a termination fee of \$4 million payable to Petroamerica in the event of, among other things, Suroco pursuing a superior proposal; the termination fee represents 5.2% of Suroco's market capitalization under the Arrangement, which is significantly above market precedent and represents value that could have accrued to Suroco shareholders from alternative proposals.
- Suroco's Board of Directors refused to engage with VETRA on the basis of its proposal to acquire Suroco for \$0.55 in cash per Suroco share, despite representing a premium of 5.8% to the Petroamerica Arrangement at the time and a 70% premium to the trading price of Suroco shares prior to announcement of the Arrangement based on the 20 day VWAP and despite the preference of shareholders of the certainty of a cash offer over a highly speculative share for share exchange.

Suroco's Board of Directors Irresponsibly Disregards the Rights of the Minority:

- Not only has Suroco refused to pursue value enhancing bids for the company, it has taken steps to dilute the voting rights of the minority in connection with the Petroamerica Arrangement.
- Suroco has applied to the TSXV and securities authorities for exemptive relief to allow Alentar to vote with the minority. The securities legislation from which Suroco seeks relief has been adopted to protect the rights of minority shareholders. Alentar has entered into a number of transactions concurrently with the Petroamerica Arrangement and will benefit if the Petroamerica Arrangement proceeds. Alentar's interest is clearly not aligned with the interest of the minority.

Our preference was to enter into a transaction supported by your board of directors. Although we initiated discussions with Suroco's board and management, culminating in a detailed and actionable proposal delivered to Suroco's board of directors setting forth an all cash offer of \$0.55 per share, on May 23, 2014, Suroco declined to act on the proposal and refused to engage in meaningful discussions. Having been turned away by your board, we felt compelled to make our offer available directly to you, the Suroco shareholders.

Vote AGAINST the Petroamerica Plan of Arrangement. If you have already voted in favour of the Petroamerica Plan of Arrangement, you can change your vote simply by submitting your BLUE proxy today. Your later dated BLUE proxy will replace any prior dated white proxy you may have voted.

How to Vote your Suroco Shares AGAINST the Petroamerica Arrangement:

To vote AGAINST the Petroamerica Arrangement:

- a) if you are a registered Suroco shareholder able to vote on the Petroamerica Arrangement, you must complete and submit the enclosed BLUE proxy to the Information Agent and Depositary in the postage paid envelope in sufficient time to ensure your votes are received prior to 12:00 Noon (Calgary time) on June 20, 2014 or if the Suroco shareholder meeting is postponed or adjourned,

no later than three days (excluding Saturdays, Sundays and holidays) before any such adjournment or postponement of such meeting; or

- b) if you are a beneficial Suroco shareholder able to vote on the Petroamerica Arrangement, you should follow the instructions provided by your investment advisor, stockbroker, bank, trust company, other nominee or intermediary through which you hold your Suroco Shares to indicate a vote **AGAINST** the Petroamerica Arrangement.

A Suroco shareholder is a registered Suroco shareholder if that shareholder holds their Suroco shares directly and not by their investment advisor, stockbroker, bank, trust company or other nominee. A Suroco Shareholder is a beneficial Suroco shareholder if that shareholder has their Suroco shares registered either: (a) in the name of an intermediary that the Suroco shareholder deals with in respect of the shares, including banks, trust companies, securities dealers or brokers, and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or (b) in the name of a depository such as CDS and DTC.

If you have already submitted a management form of proxy in connection with the Petroamerica Arrangement you may change your vote at any time up until the deadlines identified below as only your latest dated proxy will be counted.

If you are a registered Suroco shareholder who has already submitted a management form of proxy voting in favour of the Arrangement, you should revoke that proxy by:

- a) completing and submitting the enclosed **BLUE** proxy to the Information Agent and Depository in the postage paid envelope in sufficient time to ensure your votes are received prior to 12:00 Noon (Calgary time) on June 20, 2014;
- b) depositing another acceptable form of document that is signed by you (or by someone you have properly authorized to act on your behalf) that is deposited at the registered office of Suroco and indicates a vote **AGAINST** the Petroamerica Arrangement not later than last business day preceding the day of the Suroco shareholder meeting or any adjournment thereof, at which the proxy is to be used;
- c) depositing another acceptable form of document that is signed by you (or by someone you have properly authorized to act on your behalf) that indicates a vote **AGAINST** the Petroamerica Arrangement with the Chairman of the Suroco Meeting before the Suroco shareholder meeting starts on the day of the meeting or any adjournment thereof; or
- d) following any other procedure that is permitted by law.

If you are a beneficial Suroco shareholder who has already submitted a management form of proxy voting in favour of the Arrangement, you should revoke that proxy by contacting the investment advisor, stockbroker, bank, trust company, other nominee or intermediary through which you hold your Suroco shares and follow their instructions regarding the revocation of proxies, and then follow their instructions to indicate a vote **AGAINST the Arrangement.**

**IT IS NOT POSSIBLE TO COMPLETE THE OFFER UNLESS THE PETROAMERICA
ARRANGEMENT IS VOTED DOWN BY THE SUROCO SHAREHOLDERS**

How to Deposit Your Shares to Our Offer:

- a) If you hold your Suroco shares in your own name, to **ACCEPT** our Offer you must properly complete and duly execute the accompanying Letter of Transmittal (printed on **YELLOW** paper) or a manually executed facsimile thereof and deposit it, at or prior to 5:00 p.m. (Calgary time) on July 17, 2014, together with certificates representing such holders' Suroco shares, and all other required documents, with the Information Agent and Depository in accordance with the instructions in the Letter of Transmittal.
- b) If the Suroco Shares are held in a nominee or intermediary name through a bank, brokerage, trust company or other nominee, please contact your investment advisor, stockbroker, bank manager, trust company manager or other nominee, or intermediary to deposit your Suroco shares for this Offer.

- c) You may also **ACCEPT** the Offer by: (i) following the procedures for book-entry transfer of securities, set forth on page 3 of the Offer and Circular under Section 3 of the Offer, “Manner of Acceptance - Acceptance by Book-Entry Transfer”; or (ii) following the procedures for guaranteed delivery set forth on page 3 of the Offer and Circular under Section 3 of the Offer, “Manner of Acceptance - Procedure for Guaranteed Delivery”, using the accompanying Notice of Guaranteed Delivery (printed on **GREEN** paper), or a manually executed facsimile thereof.

All questions regarding our compelling and superior Offer and to the voting of your Suroco shares should be directed to:



North American Toll Free Phone:

1-855-682-8087

E-mail: contactus@kingsdaleshareholder.com

Facsimile: 416-867-2271

Toll Free Facsimile: 1-866-545-5580

Outside North America, Banks and Brokers Call Collect: 416-867-2272

By Mail

The Exchange Tower
130 King Street West, Suite 2950,
P.O. Box 361
Toronto, Ontario
M5X 1E2

By Registered Mail, Hand or by Courier

The Exchange Tower
130 King Street West, Suite 2950, Toronto,
Ontario M5X 1E2

Thank you in advance for taking the time to consider our Offer.

On behalf of Vetra Acquisition Ltd.,

(signed) "Martin Diaz Plata"

Martin Diaz Plata

(signed) "José Miguel Knoell"

José Miguel Knoell

TIME IS LIMITED

**Our offer will remain open only until July 17, 2014 at 5:00 pm (Calgary Time),
unless it is extended or withdrawn.**

This document is important and requires your immediate attention. If you are in any doubt as to how to deal with it, you should consult your investment advisor, stockbroker, bank manager, trust company manager, accountant, lawyer or other professional advisor.

This Offer has not been approved or disapproved by any securities regulatory authority, nor has any securities regulatory authority passed upon the fairness or merits of this Offer or upon the adequacy of the information contained in this document. Any representation to the contrary is an offence.

This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from or on behalf of, shareholders in any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the laws of such jurisdiction. However, the Offeror or its agents may, in the Offeror's sole discretion, take such action as the Offeror may deem necessary to make the Offer in any jurisdiction and extend the Offer to shareholders in such jurisdiction.

June 9, 2014

VETRA ACQUISITION LTD.
a wholly-owned subsidiary of



OFFER TO PURCHASE FOR CASH
all of the issued and outstanding common shares of

SUROCO ENERGY INC.
at a price of
\$0.60 in cash per common share

- and -

**CIRCULAR SOLICITING PROXIES AGAINST THE PETROAMERICA
ARRANGEMENT**

**WE RECOMMEND THAT YOU VOTE AGAINST THE PETROAMERICA PLAN OF ARRANGEMENT
AND ACCEPT OUR ALL CASH OFFER FOR YOUR SUROCO SHARES.**

Vetra Acquisition Ltd. (formerly 1743111 Alberta Ltd.) (the “Offeror”), a wholly-owned subsidiary of VETRA Holding S.a.r.l. (“VETRA”), hereby offers (the “Offer”) to purchase, on the terms and subject to the conditions set out herein, all of the issued and outstanding common shares (the “Suroco Shares”) of Suroco Energy Inc. (“Suroco”), other than any Suroco Shares held directly or indirectly by the Offeror and its affiliates, if any, including any Suroco Shares that may become issued and outstanding after the date hereof but before the Expiry Time (as defined herein) upon the exercise, exchange or conversion of any Convertible Securities (as defined herein).

**The Offer is open for acceptance until 5:00 p.m. (Calgary time) on July 17, 2014 (the “Expiry Time”),
unless extended or withdrawn.**

The Suroco Shares are listed on the TSX Venture Exchange (the “TSXV”) under the symbol “SRN”. The Offer of \$0.60 per Suroco Share (the “Offer Price”) represents a premium of approximately 86% to the trading price of Suroco Shares prior to announcement of the proposed plan of arrangement transaction (the “Arrangement”) with Petroamerica Oil Corp. (“Petroamerica”) based on the 20 day volume-weighted-average-trading price (“VWAP”) and an 11% premium to Petroamerica’s all-share offer based on the VWAP since announcement of the Arrangement.

The Offer is subject to certain conditions, including, among other things: (i) there being validly deposited under the Offer and not withdrawn, at or prior to the Expiry Time, such number of Suroco Shares that, together with the Suroco Shares held by the Offeror and its affiliates, if any, represents not less than 50.1% of the Suroco Shares (calculated on a fully diluted basis), and (ii) the Suroco Shareholders not approving the special resolution (the “**Arrangement Resolution**”) in respect of the proposed Arrangement as described in the information circular and proxy statement of Suroco dated May 27, 2014 (the “**Information Circular**”) or the Arrangement otherwise being terminated. Subject to applicable laws, the Offeror reserves the right to extend, withdraw and/or terminate the Offer and to not take up and pay for any Suroco Shares deposited under the Offer, and/or amend the Offer unless each of the conditions of the Offer is satisfied or waived by the Offeror at or before the Expiry Time. See Section 4 of the Offer, “Conditions of the Offer”. The Offer is not subject to any financing or due diligence condition.

The Offeror has engaged Kingsdale Shareholder Services to act as information agent and depositary (the “**Information Agent and Depositary**”) for the Offer. FirstEnergy Capital Corp. (the “**Dealer Manager**”) has been engaged to act as financial advisor to the Offeror and as dealer manager for the Offer in Canada.

The Information Agent and Depositary for the Offer is:

Kingsdale Shareholder Services

The Dealer Manager for the Offer is:

FirstEnergy Capital Corp.

How to Vote your Suroco Shares AGAINST the Arrangement:

To vote **AGAINST** the Arrangement:

- (a) if a Suroco Shareholder is a registered Suroco Shareholder able to vote on the Arrangement, the Suroco Shareholder must complete and submit the **BLUE** proxy to the Information Agent and Depositary in the postage paid envelope in sufficient time to ensure that the votes associated with such Suroco Shares are received prior to 12:00 Noon (Calgary time) on June 20, 2014 or if the Suroco Shareholder meeting is postponed or adjourned, no later than three days (excluding Saturdays, Sundays and holidays) before any such adjournment or postponement of such meeting; or
- (b) if a Suroco Shareholder is a beneficial Suroco Shareholder able to vote on the Arrangement, the Suroco Shareholder should follow the instructions provided by their investment advisor, stockbroker, bank, trust company, other nominee or intermediary through which they hold your Suroco Shares to indicate a vote **AGAINST** the Arrangement.

A Suroco Shareholder is a registered Suroco Shareholder if that shareholder holds their Suroco Shares directly and not through their investment advisor, stockbroker, bank, trust company or other nominee. A Suroco Shareholder is a beneficial Suroco Shareholder if that shareholder has their Suroco Shares registered either: (a) in the name of an intermediary that the Suroco Shareholder deals with in respect of the shares, including banks, trust companies, securities dealers or brokers, and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or (b) in the name of a depository such as CDS and DTC.

If a Suroco Shareholder has already submitted a management form of proxy in connection with the Arrangement and:

- (a) if a Suroco Shareholder is a registered Suroco Shareholder, the Suroco Shareholder should revoke that proxy by:
 - i. completing and submitting the enclosed **BLUE** proxy to the Information Agent and Depositary in the postage paid envelope in sufficient time to ensure that the votes

associated with such Suroco Shares are received prior to 12:00 Noon (Calgary time) on June 20, 2014;

- ii. depositing another acceptable form of document that is signed by the Suroco Shareholder (or by someone they have properly authorized to act on their behalf) that is deposited at the registered office of Suroco and indicates a vote **AGAINST** the Arrangement not later than the last business day preceding the day of the Suroco Meeting or any adjournment thereof, at which the proxy is to be used;
 - iii. depositing another acceptable form of document that is signed by the Suroco Shareholder (or by someone you have properly authorized to act on their behalf) that indicates a vote **AGAINST** the Arrangement with the Chairman of the Suroco Meeting before the Suroco Meeting starts on the day of the Suroco Meeting or any adjournment thereof; or
 - iv. following any other procedure that is permitted by law; or
- (b) if a Suroco Shareholder is a beneficial Suroco Shareholder, the Suroco Shareholder should revoke that proxy by contacting the investment advisor, stockbroker, bank, trust company, other nominee or intermediary through which they hold their Suroco Shares and follow their instructions regarding the revocation of proxies, and then follow their instructions to indicate a vote **AGAINST** the Arrangement.

How to Deposit Suroco Shares to the Offer:

If a registered Suroco Shareholder holds Suroco Shares in their own name, to **ACCEPT** the Offer the registered Suroco Shareholder must properly complete and duly execute the accompanying Letter of Transmittal (printed on **YELLOW** paper) or a manually executed facsimile thereof and deposit it, at or prior to 5:00 p.m. (Calgary time) on July 17, 2014, together with certificates representing such holder's Suroco Shares, and all other required documents, with the Information Agent and Depositary in accordance with the instructions in the Letter of Transmittal.

A registered Suroco Shareholder may also **ACCEPT** the Offer by: (i) following the procedures for book-entry transfer of securities, set forth on page 3 of the Offer and Circular under Section 3 of the Offer, "Manner of Acceptance - Acceptance by Book-Entry Transfer"; or (ii) following the procedures for guaranteed delivery set forth on page 3 of the Offer and Circular under Section 3 of the Offer, "Manner of Acceptance - Procedure for Guaranteed Delivery", using the accompanying Notice of Guaranteed Delivery (printed on **GREEN** paper), or a manually executed facsimile thereof.

Persons whose Suroco Shares are registered in the name of an investment advisor, stockbroker, bank, trust company or other nominee should contact such nominee for assistance if they wish to accept the Offer in order to take the necessary steps to be able to deposit such Suroco Shares under the Offer. Nominees likely have established cut-off times for deposit that are up to 48 hours prior to the Expiry Time. Suroco Shareholders must instruct their investment advisor, stockbroker, bank, trust company or other nominee promptly if they wish to deposit their Suroco Shares.

Suroco Shareholders will not be required to pay any fee or commission if they accept the Offer by depositing their Suroco Shares directly with the Depositary or if they make use of the services of a Soliciting Dealer (as defined herein) to accept the Offer.

Questions and requests for assistance may be directed to the Information Agent and Depositary, who can be contacted at 1-855-682-8087 toll free in North America or 1-416-867-2272 outside of North America or by e-mail at contactus@kingsdaleshareholder.com; and additional copies of this document, the Letter of Transmittal and the Notice of Guaranteed Delivery may be obtained, without charge, upon request from the Information Agent and Depositary at its office shown on the last page of this document, and are accessible on the Canadian Securities Administrators' website at www.sedar.com. Website addresses are provided for informational purposes only and no information contained on, or accessible from, such websites is incorporated by reference herein unless otherwise expressly indicated herein.

The information contained in this document is current only as of the date of this document. The Offeror does not undertake to update any such information except as required by applicable Law. Information in the Offer and Circular and Proxy Circular Supplement

related to Suroco and Petroamerica has been compiled from public sources – see “INFORMATION CONCERNING SUROCO AND PETROAMERICA”.

No broker, dealer, salesperson or other person has been authorized to give any information or make any representation other than those contained in this document, and, if given or made, such information or representation must not be relied upon as having been authorized by the Offeror, the Information Agent and Depositary or the Dealer Manager.

NOTICE TO SHAREHOLDERS OUTSIDE CANADA

SUROCO SHAREHOLDERS AND OTHER INTERESTED PARTIES ARE URGED TO READ THESE DOCUMENTS, ALL OTHER APPLICABLE DOCUMENTS AND ANY AMENDMENTS OR SUPPLEMENTS TO ANY SUCH DOCUMENTS WHEN THEY BECOME AVAILABLE, BECAUSE EACH CONTAINS OR WILL CONTAIN IMPORTANT INFORMATION ABOUT THE OFFEROR, SUROCO AND THE OFFER. Materials filed with the Canadian securities regulatory authorities are available electronically without charge at www.sedar.com. All such materials may also be obtained without charge by directing a written or oral request to the Information Agent and Depositary for the Offer, Kingsdale Shareholder Services, at 1-855-682-8087 toll free in North America or at 1-416-867-2272 or by e-mail at contactus@kingsdaleshareholder.com.

The Offer does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction in which such offer or solicitation is unlawful.

This document does not generally address the income tax consequences of the Offer to Suroco Shareholders in any jurisdiction outside Canada. Suroco Shareholders in a jurisdiction outside Canada should be aware that the disposition of Suroco Shares may have tax consequences that may not be described herein. Accordingly, Suroco Shareholders outside Canada should consult their own tax advisors with respect to tax considerations applicable to them.

NOTICE TO HOLDERS OF CONVERTIBLE SECURITIES

The Offer is made only for Suroco Shares and is not made for any options, warrants or contingent value rights or any other rights to acquire Suroco Shares. Any holder of Convertible Securities (as defined herein) who wishes to accept the Offer should, subject to and to the extent permitted by the terms of such Convertible Securities and applicable Law, exercise, exchange or convert such Convertible Securities in order to obtain certificates representing Suroco Shares and deposit such Suroco Shares in accordance with the Offer. See Section 1 of the Offer, "The Offer". Any such exercise, exchange or conversion must be completed sufficiently in advance of the Expiry Time to ensure that the holder of such Convertible Securities will have received certificates representing the Suroco Shares issuable upon such exercise, exchange or conversion in time for deposit prior to the Expiry Time, or in sufficient time to comply with the procedures described in Section 3 of the Offer, "Manner of Acceptance — Procedure for Guaranteed Delivery".

The tax consequences to holders of Convertible Securities of exercising or not exercising such securities are not described herein. Holders of such Convertible Securities should consult their own tax advisors with respect to the potential tax consequences to them in connection with the decision to exercise or not exercise such securities.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

The Offer and Circular and Proxy Circular Supplement contain "forward looking statements" and "forward looking information" (collectively, "**forward looking information**") within the meaning of applicable Canadian securities legislation. All information contained in this Offer and Circular and Proxy Circular Supplement, other than statements of current and historical fact, is forward looking information. Often, but not always, forward looking information can be identified by the use of words such as "plans", "expects", "budget", "guidance", "scheduled", "estimates", "forecasts", "strategy", "target", "intends", "objective", "goal", "understands", "anticipates" and "believes" (and variations of these or similar words) and statements that certain actions, events or results "may", "could", "would", "should", "might" "occur" or "be achieved" or "will be taken" (and variations of these or similar expressions). All of the forward looking information in the Offer and Circular and Proxy Circular Supplement, is qualified by this cautionary note.

Forward looking information in this Offer and Circular and Proxy Circular Supplement includes, but is not limited to, statements with respect to the Arrangement, the Suroco Meeting, the anticipated timing, mechanics,

completion and settlement of the Offer, the ability of the Offeror to complete the transactions contemplated by the Offer, reasons to accept the Offer, the purpose of the Offer, the completion of any Compulsory Acquisition (as defined herein) or Subsequent Acquisition Transaction (as defined herein) and any commitment to acquire Suroco Shares, the Offeror's objectives, strategies, intentions, expectations and guidance and future financial and operating performance and prospects.

Forward looking information is not, and cannot be, a guarantee of future results or events. Forward looking information is based on, among other things, opinions, assumptions, estimates and analyses that, while considered reasonable by the Offeror at the date the forward looking information is provided, inherently are subject to significant risks, uncertainties, contingencies and other factors that may cause actual results and events to be materially different from those expressed or implied by the forward looking information.

The material factors or assumptions that the Offeror identified and were applied by the Offeror in drawing conclusions or making forecasts or projections set out in the forward looking information include, but are not limited to the accuracy of Suroco's and Petroamerica's public disclosure and the completion of the Offer and either a Compulsory Acquisition or Subsequent Acquisition Transaction.

INFORMATION CONCERNING SUROCO AND PETROAMERICA

Except as otherwise expressly indicated herein, the information concerning Suroco and Petroamerica contained in this Offer, Circular and Proxy Circular Supplement has been taken from and is based solely upon their respective public disclosure, including disclosure on file with the Canadian securities regulatory authorities. Neither Suroco nor Petroamerica has reviewed this Offer and Circular and Proxy Circular Supplement and neither has confirmed the accuracy and completeness of the information in respect of Suroco or Petroamerica, as the case may be, contained in this Offer and Circular and Proxy Circular Supplement. Although the Offeror has no knowledge that would indicate that any information or statements contained in this Offer and Circular and Proxy Circular Supplement concerning Suroco or Petroamerica taken from, or based upon, such public disclosure contain any untrue statement of a material fact or omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made, neither the Offeror nor any of its respective directors or officers has verified, nor do they assume any responsibility for, the accuracy or completeness of such information or statements or for any failure by Suroco or Petroamerica to disclose events or facts that may have occurred or that may affect the significance or accuracy of any such information or statements but that are unknown to the Offeror. The Offeror has no means of verifying the accuracy or completeness of any of the information contained herein that is derived from Suroco's or Petroamerica's public disclosure of documents or records or whether there has been any failure by Suroco or Petroamerica to disclose events that may have occurred or may affect the significance or accuracy of any information. Except as otherwise indicated, information concerning Suroco and Petroamerica is given based on information in their respective public disclosure available as of May 29, 2014. All references to the number of Suroco Shares outstanding as at May 29, 2014 in this Offer, Circular and Proxy Circular Supplement are references to estimates of such figures based solely on Suroco's public disclosure.

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FREQUENTLY ASKED QUESTIONS

The following sets forth material information with respect to the Offer and Circular and Proxy Circular Supplement. The questions and answers below are not meant to be a substitute for the more detailed description and information contained in the Offer and Circular and Proxy Circular Supplement, the Letter of Transmittal and the Notice of Guaranteed Delivery. You are urged to read the entire Offer and Circular and Proxy Circular Supplement, the Letter of Transmittal and the Notice of Guaranteed Delivery carefully prior to making any decision regarding your Suroco Shares and whether or not to deposit your Suroco Shares. For ease of reference, cross-references are provided in this section to other sections of the Offer and Circular and Proxy Circular Supplement where you will find more complete descriptions of the topics mentioned below. Unless otherwise defined herein, capitalized terms have the meanings given to them in the Glossary.

Unless otherwise indicated, the information concerning Suroco and Petroamerica contained herein and in the Offer and Circular and Proxy Circular Supplement has been taken from or based upon publicly available documents and records on file with Canadian securities regulatory authorities and other public sources. Although the Offeror has no knowledge that would indicate any statements contained herein and in the Offer and Circular and Proxy Circular Supplement and taken from or based on such information are untrue or incomplete, none of the Offeror or any of its officers or directors assumes any responsibility for the accuracy or completeness of such information or for any failure by Suroco or Petroamerica to disclose events or facts that may have occurred or that may affect the significance or accuracy of any such information but that are unknown to the Offeror. Unless otherwise indicated, information concerning Suroco and Petroamerica is given as of May 29, 2014.

Who is offering to purchase my Suroco Shares?

The Offeror is making the Offer. The Offeror is Vetra Acquisition Ltd. (formerly 1743111 Alberta Ltd.), a wholly-owned subsidiary of VETRA Holding S.a.r.l., a holding company whose primary operating subsidiary is Vetra Exploración y Producción Colombia, S.A.S., a multinational company engaged in the business of exploration, extraction and production of hydrocarbons, primarily in Colombia and Peru. See Section 1 of the Circular, “The Offeror”.

What is the Offeror proposing?

The Offeror is offering to purchase all of the issued and outstanding Suroco Shares, subject to the terms and conditions set forth in the Offer and Circular, for \$0.60 per Suroco Share in cash, as more fully described in Section 1 of the Offer, “The Offer” and Section 4 of the Offer, “Conditions of the Offer”.

Why is the Offeror soliciting proxies in connection with the Suroco Meeting?

Suroco has announced that it currently intends to hold the Suroco Meeting on June 25, 2014 for purposes of considering the Arrangement Resolution. If the Arrangement Resolution is adopted and the Arrangement proceeds, the conditions to the Offer will not be satisfied and Suroco Shareholders will not have the opportunity to accept the Offer. The Offeror is soliciting proxies to vote **AGAINST** the Arrangement as it believes that the Offer is a superior transaction to the Arrangement for Suroco Shareholders. See Section 4 of the Offer, “Conditions of the Offer”, for a complete list of the conditions of the Offer.

Why is the Offeror making the Offer?

The Offeror is making the Offer because it wants to acquire control of, and ultimately the entire equity interest in, Suroco. If the Offeror completes the Offer but does not then own 100% of the Suroco Shares, the Offeror currently intends to acquire any Suroco Shares not deposited under the Offer in a second-step transaction, if available. This transaction will take the form of a Compulsory Acquisition or a Subsequent Acquisition Transaction. See Section 3 of the Circular, “Background to the Offer”, and Section 12 of the Circular, “Acquisition of Suroco Shares Not Deposited Under the Offer”.

(i)

Time is of the essence. Send in your Suroco Shares with a completed YELLOW Letter of Transmittal to the Despositary and Information Agent or call your broker now to deposit. If you have already submitted a management form of proxy in connection with the Arrangement, revoke that proxy by completing and submitting the enclosed BLUE proxy to the Information Agent and Depositary, Kingsdale Shareholder Services, who can be contacted at 1-855-682-8087 toll free in North America or at 1-416-867-2272 outside of North America or by email at contactus@kingsdaleshareholder.com.

Why should Suroco Shareholders accept the Offeror?

Suroco Shareholders should consider the following factors in making a decision to accept the Offer:

Significant Premium: The Offer is \$0.60 per Suroco Share. The Offer provides Suroco Shareholders with enhanced value and price certainty compared to Petroamerica's all-share offer, which exposes Suroco Shareholders to price volatility and illiquidity. The Offer represents a premium of:

- 86% to the trading price of Suroco Shares prior to announcement of the Arrangement based on the 20 day volume weighted average trading price ("VWAP").
- 11% to Petroamerica's all-share offer based on the VWAP since announcement of the Arrangement.

Cash Consideration and Certainty of Value: The Offer provides Suroco Shareholders with immediate cash and certainty of value, allowing Suroco Shareholders to de-risk their current investment and realize value for Suroco's assets in excess of the value currently being ascribed to those assets by the stock market and at a price higher than the Suroco Shares have traded at any time since September, 2011. Petroamerica's all-share offer imposes illiquidity and price uncertainty to Suroco Shareholders:

- Petroamerica common shares are highly illiquid. Based on the average daily volume of Petroamerica common shares for the one year prior to announcement of the Arrangement, it would take Suroco Shareholders over 150 trading days to sell all Petroamerica common shares received pursuant to the Arrangement (equivalent to over seven calendar months).
- Petroamerica's common share price is highly volatile. Over the last twelve months, Petroamerica common shares have traded as low as \$0.205, which implies a value of \$0.36 per Suroco Share based on the exchange ratio of 1.7627 Petroamerica common shares per Suroco Share.

The Arrangement Exposes Suroco Shareholders to Significant Ongoing Risks:

- Petroamerica's and Suroco are non-operating minority partners in each of their respective primary assets and have limited operational control and authority over pace of development, capital spending and ultimate outcome of investment activities. While Petroamerica has indicated its intention to seek operator status, the expected timeline is lengthy and there can be no assurance that it will be successful.
- Petroamerica and Suroco's respective exploration and business development activities have not yielded value creation for their shareholders outside of their non-operated assets, yet further value creation for Suroco Shareholders is dependent on the pro forma team's ability to successfully execute on untested exploration concepts.
- Both Petroamerica and Suroco continue to make significant financial commitments, including expensive promoted farm-in transactions and royalty payments, on non-operated exploration assets in an attempt to stem high expected natural production declines.
- If combined, Petroamerica and Suroco would have a dispersed asset base focused exclusively in different locations of Colombia. Neither operating cost nor overhead savings have been outlined as part of the proposed Arrangement and therefore, there are minimal synergies that would accrue to the benefit of Suroco Shareholders.

(ii)

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- Petroamerica's principal producing asset, the Las Maracas field, recently transitioned to a significantly higher royalty rate of over 30% (compared to 8% initially) due to its cumulative production, and according to Petroamerica management estimates, is expected to start production declines in the second half of 2014.
- Based on research analyst consensus forecasts, Petroamerica's cash flow per common share including the acquisition of Suroco, is forecast to decline from \$0.18 in 2013 to \$0.13 in 2014 (a decline of 29%) and to \$0.11 in 2015 (total decline of 39%).
- Petroamerica's reserve base also reflects a lack of sustainability, as Petroamerica failed to replace production in the 2013 calendar year and proved and proved plus probable reserves declined 3% and 4%, respectively, while proved plus probable reserve life index stands at only 2.1 years. In addition, Petroamerica's production is highly concentrated and susceptible to being taken offline through operational problems, community issues or worker strikes, which are common in Colombia. As at December 31, 2013, all of Petroamerica's oil production was from only 10 gross (4.70 net) wells.
- Despite contributing a significant portion of pro forma assets upon completion of the proposed Arrangement, Suroco Shareholders will only be represented by one additional director on Petroamerica's board of directors, with that person to be agreed upon by both Suroco and Petroamerica.

Petroamerica and Suroco Pro Forma Lack Financial Capacity: Petroamerica and Suroco, on a pro forma basis, do not have the required funding to adequately develop the existing asset base or execute a significant exploration program:

- Petroamerica and Suroco require substantial capital to develop their asset bases. Debt and equity capital markets remain very challenging for small cap companies focused on international energy projects. Future financing is likely to be on terms that are highly dilutive for Suroco Shareholders.
- For financing to date, both Suroco and Petroamerica have relied significantly on high cost term debt financing (rather than lower cost, more flexible revolving facilities) that has often included warrant issuances, and also on equity financing and other instruments dilutive to equity holders.
- Equity market valuations tend to be lower for non-operated producers. The Arrangement exacerbates this issue by combining Suroco's non-operated assets with Petroamerica's non-operated assets.
- The Information Circular states Petroamerica is expected to have a pro forma cash balance of \$62 million after giving effect to the Arrangement. Since the date of the Arrangement Agreement, both Suroco and Petroamerica have added additional non-operated exploration capital commitments totalling up to \$22 million.
- Petroamerica has \$35 million of 11.5% notes outstanding that mature on April 19, 2015, which will need to be repaid. In addition, the notes had 3.5 million Petroamerica common share purchase warrants attached that are exercisable at \$0.20 per common share and will cause further dilution to Petroamerica and Suroco Shareholders.
- The Suroriente Association Contract that outlines Suroco's interest in the Suroriente field terminates in 2024 with the asset reverting back to Ecopetrol. Underinvestment in the asset may lead to a reduction in reserves and destruction of value for Suroco Shareholders.

(iii)

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The Suroco Board of Directors Presented Suroco Shareholders with a Single Alternative Without Pursuing Competing Proposals:

- Suroco has refused to engage in meaningful discussions with VETRA around offers that were competitive and compelling.
- The Suroco Board of Directors approved the transaction with Petroamerica and agreed to a termination fee of \$4 million payable to Petroamerica in the event of, among other things, Suroco pursuing a superior proposal; the termination fee represents 5.2% of Suroco's market capitalization under the Arrangement, which is significantly above market precedent and represents value that could have accrued to Suroco Shareholders from alternative proposals.
- The Suroco Board of Directors refused to engage with VETRA on the basis of its proposal to acquire Suroco for \$0.55 in cash per Suroco Share, despite representing a premium of 5.8% to the Arrangement at the time and a 70% premium to the trading price of Suroco Shares prior to announcement of the Arrangement based on the 20 day VWAP and despite the preference of shareholders of the certainty of a cash offer over a highly speculative share for share exchange.

Suroco's Board of Directors Irresponsibly Disregards the Rights of the Minority:

- Not only has Suroco refused to pursue value enhancing bids for the company, it has taken steps to dilute the voting rights of the minority in connection with the Arrangement.
- Suroco has applied to the TSXV and securities authorities for exemptive relief to allow Alentar to vote with the minority. The securities legislation from which Suroco seeks relief has been adopted to protect the rights of minority shareholders. Alentar has entered into a number of transactions concurrently with the Arrangement and will benefit if the Arrangement proceeds. Alentar's interest is clearly not aligned with the interest of the minority.

See Section 4 of the Circular, "Reasons to Accept the Offer".

What are some of the significant conditions to the Offer?

The Offer is subject to a number of conditions including, among others, (i) there having been validly deposited under the Offer and not withdrawn, at or prior to the Expiry Time, such number of Suroco Shares that, together with the Suroco Shares held by the Offeror and its affiliates, if any, represents not less than 50.1% of the Suroco Shares (calculated on a fully diluted basis), and (ii) the Suroco Shareholders not approving the Arrangement Resolution in respect of the proposed Arrangement as described in the Information Circular or the Arrangement otherwise being terminated. The Offer is not subject to any financing or due diligence condition. Subject to applicable Law, the Offeror reserves the right to withdraw or terminate the Offer and not take up and pay for any Suroco Shares deposited under the Offer, and/or to extend the period of time during which the Offer is open for acceptance and postpone taking up and paying for any Suroco Shares deposited under the Offer, and/or to amend the Offer if these conditions are not satisfied or waived by the Offeror before the Expiry Time. See section 4 of the Offer, "Conditions of the Offer".

What securities are being sought in the Offer?

The Offeror is offering to purchase all of the issued and outstanding Suroco Shares (including any Suroco Shares issued upon the exercise, exchange or conversion of the Convertible Securities after the date hereof and prior to the Expiry Time). Based on Suroco's public disclosure, the Offeror believes that, as of May 29, 2014, there were 134,329,734 Suroco Shares issued and outstanding. The Offer includes Suroco Shares that may become outstanding

(iv)

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after the date of the Offer, but prior to the Expiry Time, upon the exercise of any Convertible Securities. The Offer is not being made for any Convertible Securities or other rights to acquire Suroco Shares. See Section 1 of the Offer, "The Offer".

What is the Offeror's source of funding for the Offer?

VETRA has sufficient cash on hand and new equity commitments to provide the Offeror with the amount of cash consideration to fund the amount necessary to fund the entire consideration payable for the Suroco Shares. See Section 6 of the Circular, "Source of Funds".

Is VETRA's financial condition relevant to my decision to deposit my Suroco Shares in the Offer?

No. The Offeror believes that its financial condition is not material to a Suroco Shareholder's decision whether to deposit Suroco Shares under the Offer because cash is the only consideration that will be paid to a Suroco Shareholder in connection with the Offer and VETRA has sufficient cash on hand and new equity commitments to provide the Offeror with the amount of cash consideration necessary to fund the entire consideration payable for the Suroco Shares.

How will Convertible Securities be treated in the Offer?

The Offer is being made only for outstanding Suroco Shares, and not for any Convertible Securities. Any holder of Convertible Securities who wishes to accept the Offer must, to the extent permitted by the terms thereof and applicable Law, exercise, exchange or convert such Convertible Securities in order to obtain certificates representing Suroco Shares and deposit such Suroco Shares in accordance with the terms of the Offer.

If the Offeror takes up and pays for Suroco Shares deposited under the Offer and not validly withdrawn, it currently intends to implement a Compulsory Acquisition or a Subsequent Acquisition Transaction, if available. Alternatively, the Offeror may take any other actions available to it to cause the exercise or termination of any remaining Convertible Securities.

How long do I have to decide whether to deposit to the Offer?

There is limited time to accept the Offer. The Offer is open for acceptance until 5:00 p.m. (Calgary Time) on July 17, 2014, or until such later time and date as is set out in a notice of variation of the Offer as the Offeror determines, issued at any time and from time to time at its discretion. See Section 2 of the Offer, "Time for Acceptance".

Notwithstanding the foregoing, quick action is required to stop the Arrangement if a Suroco Shareholder wishes to preserve their ability to deposit their Suroco Shares under the Offer. Suroco Shareholders should vote **AGAINST** the Arrangement by promptly completing and returning the enclosed **BLUE** form of proxy in accordance with the instructions set out in the Proxy Circular Supplement included with these materials in order to ensure they are received before 12:00 Noon (Calgary time) on June 20, 2014.

Can the Expiry Time for the Offer be extended?

Yes. The Offeror may, in its sole discretion, elect to extend the Expiry Time for the Offer from time to time. Under certain circumstances, the Offeror may be required to extend the Expiry Time for the Offer under applicable Canadian securities laws. If the Offeror elects or is required to extend the Expiry Time for the Offer, it will publicly announce the variation and, if required by applicable Law, the Offeror will mail Suroco Shareholders a copy of the notice of variation.

The Offeror may also elect and reserves the right to provide a Subsequent Offering Period for the Offer. A Subsequent Offering Period, if one is provided, will be an additional period of time of no less than ten days

(v)

Time is of the essence. Send in your Suroco Shares with a completed YELLOW Letter of Transmittal to the Information Agent and Depositary or call your broker now to deposit. If you have already submitted a management form of proxy in connection with the Arrangement, revoke that proxy by completing and submitting the enclosed BLUE proxy to the Information Agent and Depositary, Kingsdale Shareholder Services, who can be contacted at 1-855-682-8087 toll free in North America or at 1-416-867-2272 outside of North America or by email at contactus@kingsdaleshareholder.com.

beginning after the Offeror has accepted for purchase all Suroco Shares previously deposited during the Offer, during which period Suroco Shareholders may deposit their Suroco Shares. There would be no condition to the Offer to purchase these deposited Suroco Shares. See Section 2 of the Offer, "Time for Acceptance". The Offeror will permit withdrawal of Suroco Shares deposited during a Subsequent Offering Period, if there is one, until such time as they are taken up.

If the Offeror elects to provide a Subsequent Offering Period, the Offeror will publicly announce the Subsequent Offering Period and, if required by applicable Law, the Offeror will mail Suroco Shareholders a notice of the Subsequent Offering Period.

The factors that could affect the Offeror's decision as to whether it will elect to provide a Subsequent Offering Period include, without limitation, (i) the number of Suroco Shares that have been validly deposited to the Offer and not withdrawn prior to the Expiry Time, (ii) whether the Offeror can effect a Compulsory Acquisition or Subsequent Acquisition Transaction after the Expiry Time and, in particular, whether the number of Deposited Shares, together with the Suroco Shares held by the Offeror and its affiliates, if any, represents not less than 90% or 66 $\frac{2}{3}$ % of the issued and outstanding Suroco Shares (calculated on a fully diluted basis), (iii) the conditions to the Offer being satisfied, and (iv) discussions with its financial and legal advisors regarding the feasibility of a Subsequent Offering Period, a Compulsory Acquisition and/or a Subsequent Acquisition Transaction.

See Section 5 of the Offer, "Extension, Variation or Change to the Offer".

How do I vote against the Arrangement?

To vote **AGAINST** the Arrangement:

- (a) if a Suroco Shareholder is a registered Suroco Shareholder able to vote on the Arrangement, the Suroco Shareholder must complete and submit the enclosed **BLUE** proxy to the Information Agent and Depositary in the postage paid envelope in sufficient time to ensure that the votes associated with such Suroco Shares are received prior to 12:00 Noon (Calgary time) on June 20, 2014 or if the Suroco Shareholder meeting is postponed or adjourned, no later than three days (excluding Saturdays, Sundays and holidays) before any such adjournment or postponement of such meeting; or
- (b) if a Suroco Shareholder is a beneficial Suroco Shareholder able to vote on the Arrangement, the Suroco Shareholder should follow the instructions provided by their investment advisor, stockbroker, bank, trust company, other nominee or intermediary through which the Suroco Shareholder holds their Suroco Shares to indicate a vote **AGAINST** the Arrangement.

A Suroco Shareholder is a registered Suroco Shareholder if that shareholder holds their Suroco Shares directly and not through their investment advisor, stockbroker, bank, trust company or other nominee. A Suroco Shareholder is a beneficial Suroco Shareholder if that shareholder has their Suroco Shares registered either: (a) in the name of an intermediary that the Suroco Shareholder deals with in respect of the shares, including banks, trust companies, securities dealers or brokers, and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or (b) in the name of a depository such as CDS and DTC.

If a Suroco Shareholder has already submitted a management form of proxy in connection with the Arrangement and:

- (a) if a Suroco Shareholder is a registered Suroco Shareholder, the Suroco Shareholder should revoke that proxy by:
 - i. completing and submitting the enclosed **BLUE** proxy to the Information Agent and Depositary in the postage paid envelope in sufficient time to ensure that the votes associated with such Suroco Shares are received prior to 12:00 Noon (Calgary time) on June 20, 2014;

(vi)

Time is of the essence. Send in your Suroco Shares with a completed YELLOW Letter of Transmittal to the Information Agent and Depositary or call your broker now to deposit. If you have already submitted a management form of proxy in connection with the Arrangement, revoke that proxy by completing and submitting the enclosed BLUE proxy to the Information Agent and Depositary, Kingsdale Shareholder Services, who can be contacted at 1-855-682-8087 toll free in North America or at 1-416-867-2272 outside of North America or by email at contactus@kingsdaleshareholder.com.

- ii. depositing another acceptable form of document that is signed by the Suroco Shareholder (or by someone they have properly authorized to act on their behalf) that is deposited at the registered office of Suroco and indicates a vote **AGAINST** the Arrangement not later than the last business day preceding the day of the Suroco Meeting or any adjournment thereof, at which the proxy is to be used;
 - iii. depositing another acceptable form of document that is signed by the Suroco Shareholder (or by someone they have properly authorized to act on their behalf) that indicates a vote **AGAINST** the Arrangement with the Chairman of the Suroco Meeting before the Suroco Meeting starts on the day of the Suroco Meeting or any adjournment thereof; or
 - iv. following any other procedure that is permitted by law; or
- (b) if a Suroco Shareholder is a beneficial Suroco Shareholder, the Suroco Shareholder should revoke that proxy by contacting the investment advisor, stockbroker, bank, trust company, other nominee or intermediary through which they hold their Suroco Shares and follow their instructions regarding the revocation of proxies, and then follow their instructions to indicate a vote **AGAINST** the Arrangement.

If you wish to vote in person at the meeting, do not complete or return the form of proxy.

All questions regarding the Offer and to the voting of Suroco Shares should be directed to:



North American Toll Free Phone:

1-855-682-8087

E-mail: contactus@kingsdaleshareholder.com

Facsimile: 416-867-2271

Toll Free Facsimile: 1-866-545-5580

Outside North America, Banks and Brokers Call Collect: 416-867-2272

How do I Deposit Suroco Shares to the Offer?

If a registered Suroco Shareholder holds Suroco Shares in their own name, to **ACCEPT** the Offer the registered Suroco Shareholder must properly complete and duly execute the accompanying Letter of Transmittal (printed on **YELLOW** paper) or a manually executed facsimile thereof and deposit it, at or prior to 5:00 p.m. (Calgary time) on July 17, 2014, together with certificates representing such holder's Suroco Shares, and all other required documents, with the Information Agent and Depository in accordance with the instructions in the Letter of Transmittal.

A registered Suroco Shareholder may also **ACCEPT** the Offer by: (i) following the procedures for book-entry transfer of securities, set forth on page 3 of the Offer and Circular under Section 3 of the Offer, "Manner of Acceptance - Acceptance by Book-Entry Transfer"; or (ii) following the procedures for guaranteed delivery set forth on page 3 of the Offer and Circular under Section 3 of the Offer, "Manner of Acceptance- Procedure

(vii)

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for Guaranteed Delivery”, using the accompanying Notice of Guaranteed Delivery (printed on **GREEN** paper), or a manually executed facsimile thereof.

If I decide not to vote against the Arrangement, will this impact my ability to accept the Offer?

Yes, Suroco Shareholders should vote **AGAINST** the Arrangement. If the Arrangement proceeds, Suroco Shareholders will not have the opportunity to accept the Offer.

What if I have lost my Suroco Share certificate(s) but wish to deposit my Suroco Shares to the Offer?

Suroco Shareholders should complete their Letter of Transmittal as fully as possible and state in writing the circumstances surrounding the loss and forward the documents to the Information Agent and Depositary. The Information Agent and Depositary will forward a copy to the transfer agent for the Suroco Shares and such transfer agent will advise the Suroco Shareholder of the replacement requirements, which must be completed and returned before the Expiry Time. See Section 3 of the Offer, “Manner of Acceptance”.

If I accept the Offer, when will I receive the consideration for my Suroco Shares?

If all the conditions of the Offer described in Section 4 of the Offer, “Conditions of the Offer”, have been satisfied or waived by the Offeror at or prior to the Expiry Time, the Offeror will take up Suroco Shares validly deposited under the Offer and not properly withdrawn promptly following the Expiry Time but in no event later than ten days after the Expiry Time and will pay for Suroco Shares taken up as soon as practicable thereafter, but in any event not later than three business days after taking up the deposited Suroco Shares.

Will I be able to withdraw previously deposited Suroco Shares?

Yes. Suroco Shareholders may withdraw Suroco Shares previously deposited by them (i) at any time before Suroco Shares deposited under the Offer are taken up by the Offeror under the Offer (including during any Subsequent Offering Period), (ii) if a Suroco Shareholder’s Suroco Shares have not been paid for by the Offeror within three business days after having been taken up, and (iii) in certain other circumstances. Suroco Shareholders must send a notice of withdrawal to the Depositary prior to the occurrence of certain events and within the time periods set forth in Section 8 of the Offer, “Withdrawal of Deposited Suroco Shares”, and the notice must contain specific information outlined therein. See Section 8 of the Offer, “Withdrawal of Deposited Suroco Shares”.

Will I have to pay any fees or commissions?

If a Suroco Shareholder is the registered owner of their Suroco Shares and they deposit their Suroco Shares directly to the Information Agent and Depositary or if they make use of the services of a Soliciting Dealer (as defined herein) to accept the Offer, they will not have to pay brokerage fees or incur similar expenses. If a Suroco Shareholder owns their Suroco Shares through an investment advisor, stock broker, bank, trust company or other nominee, they should consult their nominee to determine whether any charges will apply.

What will happen if the Offer is withdrawn?

Unless all of the conditions to the Offer have been satisfied or waived at or prior to the Expiry Time, the Offeror will not be obligated to take up and purchase Suroco Shares deposited to the Offer and the Offeror may withdraw the Offer. If the Offer is withdrawn in this manner, all of a Suroco Shareholder’s Suroco Shares that were deposited and not withdrawn will be returned to them with no payment.

What does the Suroco Board of Directors think of the Offer?

Under Canadian provincial securities Laws, a directors’ circular must be prepared and delivered to shareholders no later than 15 days from the date of commencement of the Offer. The directors’ circular must include

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Time is of the essence. Send in your Suroco Shares with a completed YELLOW Letter of Transmittal to the Information Agent and Depositary or call your broker now to deposit. If you have already submitted a management form of proxy in connection with the Arrangement, revoke that proxy by completing and submitting the enclosed BLUE proxy to the Information Agent and Depositary, Kingsdale Shareholder Services, who can be contacted at 1-855-682-8087 toll free in North America or at 1-416-867-2272 outside of North America or by email at contactus@kingsdaleshareholder.com.

either a recommendation to accept or reject the Offer, and the reasons for the board of directors' recommendation, or a statement that the board of directors is unable to make or is not making a recommendation, and if no recommendation is made, the reasons for not making a recommendation.

How will a Suroco Shareholder be treated for Canadian federal income tax purposes?

A Resident Suroco Shareholder who disposes of Suroco Shares pursuant to the Offer will be considered to have disposed of such Suroco Shares for proceeds of disposition equal to the Offer Price paid in exchange for such shares. The Resident Suroco Shareholder will realize a capital gain (or capital loss) to the extent that such proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to the Resident Suroco Shareholder of such Suroco Shares immediately before the disposition.

Similarly, a Non-Resident Suroco Shareholder who disposes of Suroco Shares pursuant to the Offer will realize a capital gain or a capital loss computed in the manner described above. However, a Non-Resident Suroco Shareholder will not be subject to tax under the Tax Act on any capital gain realized on the disposition of Suroco Shares pursuant to the Offer, unless the Suroco Shares constitute taxable Canadian property (as defined in the Tax Act) to the Non-Resident Suroco Shareholder and the Suroco Shares are not "treaty protected property" (as defined in the Tax Act) of the Non-Resident Suroco Shareholder.

Depending on the manner and circumstances in which a Subsequent Acquisition Transaction is undertaken, if any, the tax consequences applicable to a Suroco Shareholder who is disposing of Suroco Shares pursuant to a Subsequent Acquisition Transaction could differ in a materially adverse way from the tax consequences that would be applicable to such Suroco Shareholder if it were to dispose of Suroco Shares under the Offer. In the case of a Non-Resident Suroco Shareholder, a portion of the consideration received on the disposition of Suroco Shares pursuant to a Subsequent Acquisition Transaction could be subject to Canadian withholding tax.

The foregoing is only a brief summary of principal Canadian federal income tax consequences and is qualified by the description of principal Canadian federal income tax considerations in Section 17 of the Circular, "Principal Canadian Federal Income Tax Considerations". Suroco Shareholders are urged to consult their own tax advisors to determine the particular tax consequences to them of depositing their Suroco Shares pursuant to the Offer or a disposition of Suroco Shares pursuant to any Compulsory Acquisition, Subsequent Acquisition Transaction, or any other disposition in connection with the Offer.

If I decide not to deposit, how will my Suroco Shares be affected?

If the Offeror takes up and pays for the Suroco Shares validly deposited under the Offer, the Offeror currently intends to take such action as is necessary, including affecting a Compulsory Acquisition or a Subsequent Acquisition Transaction, to acquire any Suroco Shares not deposited. It is the Offeror's current intention that the consideration to be offered for Suroco Shares under such Compulsory Acquisition or Subsequent Acquisition Transaction will be the same consideration offered pursuant to the Offer. In connection with such a transaction, a Suroco Shareholder may have dissent rights. The Offeror reserves the right not to complete a Compulsory Acquisition or a Subsequent Acquisition Transaction. See Section 12 of the Circular, "Acquisition of Suroco Shares Not Deposited Under the Offer".

Will Suroco continue as a public company?

If, as a result of the Offer and any subsequent transaction, the number of Suroco Shareholders is sufficiently reduced, Suroco may become eligible to cease to be a reporting issuer in Canada. To the extent permitted by applicable Law, the Offeror intends to delist the Suroco Shares from the TSXV and to cause Suroco to cease to be a reporting issuer under the securities laws of each of the provinces and territories of Canada in which it has such status. The rules and regulations of the TSXV could also, upon the consummation of the Offer and/or a subsequent transaction, lead to the delisting of the Suroco Shares from the TSXV. See Section 5 of the Circular, "Purpose of the Offer and the Offeror's Plans for Suroco".

Do I have dissent or appraisal rights in connection with the Offer?

Suroco Shareholders will not be entitled to any right of dissent or appraisal in connection with the Offer. However, Suroco Shareholders who do not deposit their Suroco Shares under the Offer may have certain rights of dissent in the event the Offeror acquires such Suroco Shares by way of a Compulsory Acquisition or Subsequent Acquisition Transaction, including the right to seek judicial determination of the fair value of their Suroco Shares. See Section 12 of the Circular, "Acquisition of Suroco Shares Not Deposited Under the Offer".

Can I appoint someone other than the individuals named in the enclosed form of proxy to vote my Suroco Shares?

Yes, Suroco Shareholders have the right to appoint some other person of their choice who need not be a Suroco Shareholder to attend and act on their behalf at the meeting. If a Suroco Shareholder wishes to appoint a person other than those named in the enclosed **BLUE** form of proxy, then strike out those printed names appearing on the form of proxy and insert the name of their chosen proxyholder in the space provided. NOTE: It is important to ensure that any other person appointed is attending the meeting and is aware that his or her appointment has been made to vote the Suroco Shareholder's Suroco Shares. Proxyholders should, on arrival at the Suroco Meeting, present themselves to a representative of Computershare Trust Company of Canada, Suroco's transfer agent.

How will the Suroco Shares be voted if I send in the enclosed **BLUE proxy?**

The Suroco Shares represented by your proxy must be voted as instructed by the Suroco Shareholder in the enclosed **BLUE** form of proxy. If a Suroco Shareholder properly completes and returns the enclosed **BLUE** proxy but does not specify how they wish to vote, their Suroco Shares will be voted as their proxyholder sees fit. Unless contrary instructions are provided, Suroco Shares represented by proxies received by the Offeror will be voted **AGAINST** the approval of the Arrangement Resolution, the full text of which is attached as Appendix C to the Information Circular, approving, among other things, the exchange of Suroco Shares in connection with a court-approved plan of arrangement under section 193 of the *Business Corporations Act* (Alberta) ("**ABCA**") in order to effect an arrangement with Petroamerica in accordance with the terms and conditions of the arrangement agreement dated April 26, 2014 (the "**Arrangement Agreement**"), entered into between Suroco and Petroamerica, all as more particularly set forth in the Information Circular.

What is the market value of my Suroco Shares?

The Offer Price represents a premium of approximately 86% to the trading price of Suroco Shares prior to announcement of the Arrangement with Petroamerica based on the 20 day VWAP and an 11% premium to Petroamerica's all-share offer based on the VWAP since announcement of the Arrangement. See Section 16 of the Circular, "Effect of the Offer on the Market for and Listing of Suroco Shares and Status as a Reporting Issuer".

What if amendments are made to the above matters or if other matters are brought before the Suroco Meeting?

If a Suroco Shareholder has completed and returned the enclosed **BLUE** form of proxy, the person named in the **BLUE** form of proxy will have discretionary authority with respect to amendments or variations to matters identified in the Information Circular, and to other matters that may properly come before the Suroco Meeting. As of the date of this Offer, Circular and Proxy Circular Supplement, other than as disclosed in the Information Circular, the Offeror knows of no such amendment, variation or other matter expected to come before the Suroco Meeting. If any other matters properly come before that meeting, the persons named in the form of proxy will vote on them in accordance with their best judgement.

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Time is of the essence. Send in your Suroco Shares with a completed YELLOW Letter of Transmittal to the Information Agent and Depositary or call your broker now to deposit. If you have already submitted a management form of proxy in connection with the Arrangement, revoke that proxy by completing and submitting the enclosed BLUE proxy to the Information Agent and Depositary, Kingsdale Shareholder Services, who can be contacted at 1-855-682-8087 toll free in North America or at 1-416-867-2272 outside of North America or by email at contactus@kingsdaleshareholder.com.

What if I am a registered Suroco Shareholder and do not submit a proxy?

If a registered Suroco Shareholder does not submit a proxy not later than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the time set for the Suroco Meeting or any adjournment thereof, or they do not attend and vote at the Suroco Meeting, their Suroco Shares will not be voted on any matter that comes before the meeting and the Arrangement may proceed. If the Arrangement proceeds, Suroco Shareholders will not have the opportunity to accept the Offer.

Who can I call with questions about the Offer or for more information?

Suroco Shareholders can call the Information Agent and Depositary at 1-855-682-8087 toll free in North America or at 1-416-867-2272 outside of North America or they can e-mail the Information Agent and Depositary at contactus@kingsdaleshareholder.com, if they have questions or requests for additional copies of the Offer and Circular and Proxy Circular Supplement, the Letter of Transmittal, the Notice of Guaranteed Delivery or the form of proxy (which documents will be provided without charge on request and are accessible on the SEDAR website at www.sedar.com).

The Information Agent and Depositary for the Offer is:



North American Toll Free Phone:

1-855-682-8087

E-mail: contactus@kingsdaleshareholder.com

Facsimile: 416-867-2271

Toll Free Facsimile: 1-866-545-5580

Outside North America, Banks and Brokers Call Collect: 416-867-2272

By Mail

The Exchange Tower
130 King Street West, Suite 2950,
P.O. Box 361
Toronto, Ontario
M5X 1E2

By Registered Mail, Hand or by Courier

The Exchange Tower
130 King Street West, Suite 2950, Toronto,
Ontario M5X 1E2

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Time is of the essence. Send in your Suroco Shares with a completed YELLOW Letter of Transmittal to the Information Agent and Depositary or call your broker now to deposit. If you have already submitted a management form of proxy in connection with the Arrangement, revoke that proxy by completing and submitting the enclosed BLUE proxy to the Information Agent and Depositary, Kingsdale Shareholder Services, who can be contacted at 1-855-682-8087 toll free in North America or at 1-416-867-2272 outside of North America or by email at contactus@kingsdaleshareholder.com.

SUMMARY

The following is a summary only and is qualified in its entirety by the detailed provisions contained in the Offer and Circular and Proxy Circular Supplement. You should read the Offer and Circular and Proxy Circular Supplement in their entirety. Certain capitalized and other terms used in this summary, where not otherwise defined herein, are defined in the Glossary. All currency amounts expressed herein, unless otherwise indicated, are in Canadian dollars.

Except as otherwise expressly indicated herein, the information concerning Suroco and Petroamerica contained in this Offer and Circular and Proxy Circular Supplement has been taken from and is based solely upon their respective public disclosure on file with the Canadian securities regulatory authorities. Neither Suroco nor Petroamerica has reviewed this Offer and Circular and Proxy Circular Supplement and neither has confirmed the accuracy and completeness of the information in respect of Suroco or Petroamerica, as the case may be, contained in this Offer and Circular and Proxy Circular Supplement. Although the Offeror has no knowledge that would indicate that any information or statements contained in this Offer and Circular and Proxy Circular Supplement concerning Suroco or Petroamerica taken from, or based upon, such public disclosure contain any untrue statement of a material fact or omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made, neither the Offeror nor any of its directors or officers has verified, nor do they assume any responsibility for, the accuracy or completeness of such information or statements or for any failure by Suroco or Petroamerica to disclose events or facts that may have occurred or that may affect the significance or accuracy of any such information or statements but that are unknown to the Offeror. The Offeror has no means of verifying the accuracy or completeness of any of the information contained herein that is derived from Suroco's or Petroamerica's public disclosure of documents or records or whether there has been any failure by Suroco to disclose events that may have occurred or may affect the significance or accuracy of any information. Except as otherwise indicated, information concerning Suroco and Petroamerica is given based on information in their respective public disclosure available as of May 29, 2014. All references to the number of Suroco Shares outstanding as at May 29, 2014 in this Offer and Circular and Proxy Circular Supplement are references to estimates of such figures based solely on Suroco's public disclosure.

The Offer

The Offeror is offering to purchase, on the terms and subject to the conditions of the Offer, all of the issued and outstanding Suroco Shares, including, any Suroco Shares that may become issued and outstanding upon the exercise, exchange or conversion of Convertible Securities after the date hereof but prior to the Expiry Time, for consideration per Suroco Share of \$0.60. The Offer is made only for Suroco Shares and is not made for any other Convertible Securities. See Section 1 of the Offer, "The Offer".

The obligation of the Offeror to take up and pay for Suroco Shares pursuant to the Offer is subject to certain conditions. See Section 4 of the Offer, "Conditions of the Offer".

Time for Acceptance

The Offer is open for acceptance during the period commencing on June 11, 2014 and ending at 5:00 p.m. (Calgary Time) on July 17, 2014, or until such later time or times and date or dates to which the Offer may be extended from time to time by the Offeror, in accordance with Section 5 of the Offer, "Extension, Variation or Change of the Offer", unless the Offer is withdrawn by the Offeror. Any decision to extend the Offer, including for how long, will be made prior to the Expiry Time. See Section 2 of the Offer, "Time for Acceptance".

The Offeror

The Offeror is Vetra Acquisition Ltd. (formerly 1743111 Alberta Ltd.), a wholly-owned subsidiary of VETRA Holding S.a.r.l., a holding company whose primary operating subsidiary is Vetra Exploración y Producción Colombia, S.A.S., a multinational company engaged in the business of exploration, extraction and production of hydrocarbons, primarily in Colombia and Peru. See Section 1 of the Circular, "The Offeror".

Suroco

Suroco is focused on the identification and evaluation of opportunities for the acquisition of interests in oil and gas properties, corporations, assets or businesses, particularly in Colombia, and once identified and evaluated, negotiating acquisitions thereof or participation therein. Suroco is a public corporation that is listed on the TSXV under the symbol “SRN”. See Section 2 of the Circular, “Suroco”.

Reasons to Accept the Offer

Suroco Shareholders should consider the following factors in making a decision to accept the Offer:

Significant Premium: The Offer is \$0.60 per Suroco Share. The Offer provides Suroco Shareholders with enhanced value and price certainty compared to Petroamerica’s all-share offer, which exposes Suroco Shareholders to price volatility and illiquidity. The Offer represents a premium of:

- 86% to the trading price of Suroco Shares prior to announcement of the Arrangement based on the 20 day VWAP.
- 11% to Petroamerica’s all-share offer based on the VWAP since announcement of the Arrangement.

Cash Consideration and Certainty of Value: The Offer provides Suroco Shareholders with immediate cash and with certainty of value, allowing Suroco Shareholders to de-risk their current investment and realize value for Suroco’s assets in excess of the value currently being ascribed to those assets by the stock market and at a price higher than the Suroco Shares have traded at any time since September, 2011. Petroamerica’s all-share offer imposes illiquidity and price uncertainty to Suroco Shareholders:

- Petroamerica common shares are highly illiquid. Based on the average daily volume of Petroamerica common shares for the one year prior to announcement of the Arrangement, it would take Suroco Shareholders over 150 trading days to sell all Petroamerica common shares received pursuant to the Arrangement (equivalent to over seven calendar months).
- Petroamerica’s common share price is highly volatile. Over the last twelve months, Petroamerica common shares have traded as low as \$0.205, which implies a value of \$0.36 per Suroco Share based on the exchange ratio of 1.7627 Petroamerica common shares per Suroco Share.

The Arrangement Exposes Suroco Shareholders to Significant Ongoing Risks:

- Petroamerica’s and Suroco are non-operating minority partners in each of their respective primary assets and have limited operational control and authority over pace of development, capital spending and ultimate outcome of investment activities. While Petroamerica has indicated its intention to seek operator status, the expected timeline is lengthy and there can be no assurance that it will be successful.
- Petroamerica and Suroco’s respective exploration and business development activities have not yielded value creation for their shareholders outside of their non-operated assets, yet further value creation for Suroco Shareholders is dependent on the pro forma team’s ability to successfully execute on untested exploration concepts.
- Both Petroamerica and Suroco continue to make significant financial commitments, including expensive promoted farm-in transactions and royalty payments, on non-operated exploration assets in an attempt to stem high expected natural production declines.

- If combined, Petroamerica and Suroco would have a dispersed asset base focused exclusively in different locations of Colombia. Neither operating cost nor overhead savings have been outlined as part of the proposed Arrangement and therefore, there are minimal synergies that would accrue to the benefit of Suroco Shareholders.
- Petroamerica's principal producing asset, the Las Maracas field, recently transitioned to a significantly higher royalty rate of over 30% (compared to 8% initially) due to its cumulative production, and according to Petroamerica management estimates, is expected to start production declines in the second half of 2014.
- Based on research analyst consensus forecasts, Petroamerica's cash flow per share including the acquisition of Suroco, is forecast to decline from \$0.18 in 2013 to \$0.13 in 2014 (a decline of 29%) and to \$0.11 in 2015 (total decline of 39%).
- Petroamerica's reserve base also reflects a lack of sustainability, as Petroamerica failed to replace production in the 2013 calendar year and proved and proved plus probable reserves declined 3% and 4%, respectively, while proved plus probable reserve life index stands at only 2.1 years. In addition, Petroamerica's production is highly concentrated and susceptible to being taken offline through operational problems, community issues or worker strikes, which are common in Colombia. As at December 31, 2013, all of Petroamerica's oil production was from only 10 gross (4.70 net) wells.
- Despite contributing a significant portion of pro forma assets upon completion of the proposed Arrangement, Suroco Shareholders will only be represented by one additional director on the Petroamerica board of directors, with that person to be agreed upon by both Suroco and Petroamerica.

Petroamerica and Suroco Pro Forma Lack Financial Capacity: Petroamerica and Suroco, on a pro forma basis, do not have the required funding to adequately develop the existing asset base or execute a significant exploration program:

- Petroamerica and Suroco require substantial capital to develop their asset bases. Debt and equity capital markets remain very challenging for small cap companies focused on international energy projects. Future financing is likely to be on terms that are highly dilutive for Suroco Shareholders.
- For financing to date, both Suroco and Petroamerica have relied significantly on high cost term debt financing (rather than lower cost, more flexible revolving facilities) that has often included warrant issuances, and also on equity financing and other instruments dilutive to equity holders.
- Equity market valuations tend to be lower for non-operated producers. The Arrangement exacerbates this issue by combining Suroco's non-operated assets with Petroamerica's non-operated assets.
- The Information Circular states that Petroamerica is expected to have pro forma cash balance of \$62 million after giving effect to the Arrangement. Since the date of the Arrangement Agreement, both Suroco and Petroamerica have added additional non-operated exploration capital commitments totalling up to \$22 million.
- Petroamerica has \$35 million of 11.5% notes outstanding that mature on April 19, 2015, which will need to be repaid. In addition, the notes had 3.5 million common share purchase

warrants attached that are exercisable at \$0.20 per common share and will cause further dilution to Petroamerica and Suroco Shareholders.

- The Surorient Association Contract that outlines Suroco's interest in the Surorient field terminates in 2024 with the asset reverting back to Ecopetrol. Underinvestment in the asset may lead to a reduction in reserves and destruction of value for Suroco Shareholders.

The Suroco Board of Directors Presented Shareholders with a Single Alternative Without Pursuing Competing Proposals:

- Suroco has refused to engage in meaningful discussions with VETRA around offers that were competitive and compelling.
- Suroco's Board of Directors approved the transaction with Petroamerica and agreed to a termination fee of \$4 million payable to Petroamerica in the event of, among other things, Suroco pursuing a superior proposal; the termination fee represents 5.2% of Suroco's market capitalization under the Arrangement, which is significantly above market precedent and represents value that could have accrued to Suroco Shareholders from alternative proposals.
- The Suroco Board of Directors refused to engage with VETRA on the basis of its proposal to acquire Suroco for \$0.55 in cash per Suroco Share, despite representing a premium of 5.8% to the Arrangement at the time and a 70% premium to the trading price of Suroco Shares prior to announcement of the Arrangement based on the 20 day VWAP and despite the preference of shareholders of the certainty of a cash offer over a highly speculative share for share exchange.

Suroco's Board of Directors Irresponsibly Disregards the Rights of the Minority:

- Not only has Suroco refused to pursue value enhancing bids for the company, it has taken steps to dilute the voting rights of the minority in connection with the Arrangement.
- Suroco has applied to the TSXV and securities authorities for exemptive relief to allow Alentar to vote with the minority. The securities legislation from which Suroco seeks relief has been adopted to protect the rights of minority shareholders. Alentar has entered into a number of transactions concurrently with the Arrangement and will benefit if the Arrangement proceeds. Alentar's interest is clearly not aligned with the interest of the minority.

See Section 4 of the Circular, "Reasons to Accept the Offer".

Purpose of the Offer and the Offeror's Plans for Suroco

The purpose of the Offer is to enable the Offeror to acquire, on the terms and subject to the conditions of the Offer, all of the issued and outstanding Suroco Shares, including Suroco Shares that may become outstanding on the exercise, exchange or conversion of Convertible Securities after the date hereof but prior to the Expiry Time.

If the conditions of the Offer are satisfied or waived and the Offeror takes up and pays for the Suroco Shares validly deposited under the Offer and not properly withdrawn, the Offeror intends to acquire any Suroco Shares not deposited under the Offer through a Compulsory Acquisition, if available, or to propose a Subsequent Acquisition Transaction, in each case for consideration per Suroco Share equal in value to and in the same form as the consideration paid by the Offeror per Suroco Share under the Offer. The exact timing and details of any such transaction will depend upon a number of factors, including the number of Suroco Shares acquired pursuant to the Offer. Although the Offeror intends to propose either a Compulsory Acquisition or a Subsequent Acquisition

Transaction generally on the terms described herein, it is possible that, as a result of the number of Suroco Shares acquired under the Offer, delays in the Offeror's ability to effect such a transaction, information subsequently obtained by the Offeror, changes in general economic or market conditions or in the business of Suroco or other currently unforeseen circumstances, such a transaction may not be proposed, may be delayed or abandoned or may be proposed on different terms. Accordingly, the Offeror reserves the right not to propose a Compulsory Acquisition or a Subsequent Acquisition Transaction, or to propose a Subsequent Acquisition Transaction on terms other than as described in the Circular. See Section 12 of the Circular, "Acquisition of Suroco Shares Not Deposited Under the Offer".

If the Offer is successful, it is anticipated that the Suroco Board of Directors will be replaced by nominees of the Offeror. With the exception of the foregoing, the Offeror has not yet developed any specific proposals with respect to Suroco or its operations, or any changes in its assets, business strategies, management or personnel following the acquisition of the Suroco Shares pursuant to the Offer.

If permitted by applicable Law, subsequent to the completion of the Offer and a Compulsory Acquisition or any Subsequent Acquisition Transaction, if necessary, the Offeror intends to delist the Suroco Shares from the TSXV and to cause Suroco to cease to be a reporting issuer under the securities laws of each of the provinces and territories of Canada in which it has such status. See Section 16 of the Circular, "Effect of the Offer on the Market for and Listing of Suroco Shares and Status as a Reporting Issuer".

See Section 5 of the Circular, "Purpose of the Offer and the Offeror's Plans for Suroco" and Section 16 of the Circular, "Effect of the Offer on the Market Price for and Listing of Suroco Shares and Status as a Reporting Issuer".

Suroco Shareholders will not be required to pay any fee or commission if they accept the Offer by depositing their Suroco Shares directly with the Information Agent and Depositary or if they make use of the services of a Soliciting Dealer to accept the Offer.

Persons whose Suroco Shares are registered in the name of an investment advisor, stockbroker, bank, trust company or other nominee should contact such nominee for assistance if they wish to accept the Offer in order to take the necessary steps to be able to deposit such Suroco Shares under the Offer. Nominees likely have established cut-off times for deposits that are up to 48 hours prior to the Expiry Time. Suroco Shareholders must instruct their investment advisor, stockbroker, bank, trust company or other nominee promptly if they wish to deposit their Suroco Shares.

Suroco Shareholders should contact the Information Agent and Depositary, their investment advisor, stockbroker, bank, trust company or other nominee for assistance in accepting the Offer and depositing Suroco Shares with the Information Agent and Depositary. The Information Agent and Depositary, can be contacted at 1-855-682-8087 toll free in North America or at 1-416-867-2272 outside of North America or by e-mail at contactus@kingsdaleshareholder.com.

Proxy Circular Supplement

Suroco intends to hold the Suroco Meeting on June 25, 2014 for the purposes of considering the Arrangement Resolution. If the Arrangement Resolution is approved and the Arrangement proceeds, the conditions to the Offer will not be satisfied. The Offeror is soliciting proxies to vote **AGAINST** the Arrangement as it believes that the Offer is superior to the Arrangement for Suroco Shareholders. Suroco Shareholders should therefore vote **AGAINST** the Arrangement.

In addition to constituting a take-over bid circular prepared in accordance with applicable Laws in respect of the Offer, this document (and in particular, the Proxy Circular Supplement included herein) is also being furnished in connection with the Suroco Meeting for the solicitation of proxies by and on behalf of the Offeror to vote **AGAINST** the Arrangement.

Any Suroco Shareholder that, in addition to accepting the Offer in accordance with the procedures set forth in Section 3 of the Offer, “Manner of Acceptance”, wishes to provide a proxy allowing the nominees identified in the enclosed **BLUE** form of proxy to vote **AGAINST** the Arrangement, should review the Proxy Circular Supplement contained herein. The Offeror recommends that Suroco Shareholders complete and return the enclosed **BLUE** form of proxy in accordance with instructions set out thereon. For further information, including information regarding non-registered Suroco Shareholders, see the Proxy Circular Supplement included herein.

Shareholders should note that accepting the Offer in accordance with the procedures set forth in Section 3 of the Offer, “Manner of Acceptance”, will not, without the submission of the enclosed **BLUE** form of proxy as described in the Proxy Circular Supplement, authorize the nominees of the Offeror to vote **AGAINST** the Arrangement Resolution. Similarly, completing the enclosed **BLUE** form of proxy, without accepting the Offer in accordance with the procedures set forth in Section 3 of the Offer, “Manner of Acceptance”, will not result in a Suroco Shareholder’s Suroco Shares being validly deposited under the Offer.

Kingsdale Shareholder Services has been engaged as Information Agent and Depositary on behalf of the Offeror to provide information to Suroco Shareholders in connection with the Offer and to solicit proxies **AGAINST** the Arrangement.

Suroco Shareholders with queries or requiring assistance in: (a) completing and submitting the enclosed **BLUE** form of proxy to permit the nominees of the Offeror identified therein to vote **AGAINST** the Arrangement; or (b) accepting the Offer and depositing Suroco Shares with the Information Agent and Depositary should contact the Information Agent and Depositary. The Information Agent and Depositary can be contacted at 1-855-682-8087 toll-free in North America, or at 1-416-867-2272 outside of North America, or by e-mail at contactus@kingsdaleshareholder.com.

How to Vote your Suroco Shares AGAINST the Arrangement:

To vote **AGAINST** the Arrangement:

- (a) if a Suroco Shareholder is a registered Suroco Shareholder able to vote on the Arrangement, the Suroco Shareholder must complete and submit the enclosed **BLUE** proxy to the Information Agent and Depositary in the postage paid envelope in sufficient time to ensure that the votes associated with such Suroco Shares are received prior to 12:00 Noon (Calgary time) on June 20, 2014 or if the Suroco Shareholder meeting is postponed or adjourned, no later than three days (excluding Saturdays, Sundays and holidays) before any such adjournment or postponement of such meeting; or
- (b) if a Suroco Shareholder is a beneficial Suroco Shareholder able to vote on the Arrangement, the Suroco Shareholder should follow the instructions provided by their investment advisor, stockbroker, bank, trust company, other nominee or intermediary through which they hold their Suroco Shares to indicate a vote **AGAINST** the Arrangement.

A Suroco Shareholder is a registered Suroco Shareholder if that shareholder holds their Suroco Shares directly and not through their investment advisor, stockbroker, bank, trust company or other nominee. A Suroco Shareholder is a beneficial Suroco Shareholder if that shareholder has their Suroco Shares registered either: (a) in the name of an intermediary that the Suroco Shareholder deals with in respect of the shares, including banks, trust companies, securities dealers or brokers, and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or (b) in the name of a depository such as CDS and DTC.

If a Suroco Shareholder has already submitted a management form of proxy in connection with the Arrangement and:

- (a) if a Suroco Shareholder is a registered Suroco Shareholder, the Suroco Shareholder should revoke that proxy by:

- i. completing and submitting the enclosed **BLUE** proxy to the Information Agent and Depositary in the postage paid envelope in sufficient time to ensure that the votes associated with such Suroco Shares are received prior to 12:00 Noon (Calgary time) on June 20, 2014;
 - ii. depositing another acceptable form of document that is signed by the Suroco Shareholder (or by someone they have properly authorized to act on their behalf) that is deposited at the registered office of Suroco and indicates a vote **AGAINST** the Arrangement not later than the last business day preceding the day of the Suroco Meeting or any adjournment thereof, at which the proxy is to be used;
 - iii. depositing another acceptable form of document that is signed by the Suroco Shareholder (or by someone they have properly authorized to act on their behalf) that indicates a vote **AGAINST** the Arrangement with the Chairman of the Suroco Meeting before the Suroco Meeting starts on the day of the Suroco Meeting or any adjournment thereof; or
 - iv. following any other procedure that is permitted by law; or
- (b) if a Suroco Shareholder is a beneficial Suroco Shareholder, the Suroco Shareholder should revoke that proxy by contacting the investment advisor, stockbroker, bank, trust company, other nominee or intermediary through which hold the Suroco Shareholder's Suroco Shares and follow their instructions regarding the revocation of proxies, and then follow their instructions to indicate a vote **AGAINST** the Arrangement.

How to Deposit Suroco Shares to the Offer

If a registered Suroco Shareholder holds Suroco Shares in their own name, to **ACCEPT** the Offer the registered Suroco Shareholder must properly complete and duly execute the accompanying Letter of Transmittal (printed on **YELLOW** paper) or a manually executed facsimile thereof and deposit it, at or prior to 5:00 p.m. (Calgary time) on July 17, 2014, together with certificates representing such holders' Suroco Shares, and all other required documents, with the Information Agent and Depositary in accordance with the instructions in the Letter of Transmittal.

A registered Suroco Shareholder may also **ACCEPT** the Offer by: (i) following the procedures for book-entry transfer of securities, set forth on page 3 of the Offer and Circular under Section 3 of the Offer, "Manner of Acceptance - Acceptance by Book-Entry Transfer"; or (ii) following the procedures for guaranteed delivery set forth on page 3 of the Offer and Circular under Section 3 of the Offer, "Manner of Acceptance- Procedure for Guaranteed Delivery", using the accompanying Notice of Guaranteed Delivery (printed on **GREEN** paper), a manually executed facsimile thereof.

If you wish to vote in person at the Suroco Meeting, do not complete or return the form of proxy.

All questions regarding our Offer and to the voting of your Suroco Shares should be directed to:



North American Toll Free Phone:

1-855-682-8087

E-mail: contactus@kingsdaleshareholder.com

Facsimile: 416-867-2271

Toll Free Facsimile: 1-866-545-5580

Outside North America, Banks and Brokers Call Collect: 416-867-2272

By Mail

The Exchange Tower
130 King Street West, Suite 2950,
P.O. Box 361
Toronto, Ontario
M5X 1E2

By Registered Mail, Hand or by Courier

The Exchange Tower
130 King Street West, Suite 2950, Toronto,
Ontario M5X 1E2

Conditions of the Offer

Subject to applicable Law, the Offeror reserves the right to withdraw or terminate the Offer and not take up and pay for any Suroco Shares deposited under the Offer, and/or to extend the period of time during which the Offer is open for acceptance and postpone taking up and paying for any Suroco Shares deposited under the Offer, and/or to amend the Offer, unless all of the conditions described in Section 4 of the Offer, "Conditions of the Offer", are satisfied or waived by the Offeror at or before the Expiry Time. These conditions include, among others, (i) there having been validly deposited under the Offer and not withdrawn, at or prior to the Expiry Time, such number of Suroco Shares that, together with the Suroco Shares held by the Offeror and its affiliates, if any, represents not less than 50.1% of the Suroco Shares (calculated on a fully diluted basis), and (ii) the Suroco Shareholders not approving the Arrangement Resolution in respect of the proposed Arrangement as described in the Information Circular or the Arrangement otherwise being terminated. The Offer is not subject to any financing or due diligence condition.

For a complete list of the conditions of the Offer, see Section 4 of the Offer, "Conditions of the Offer".

Take-Up and Payment for Deposited Suroco Shares

If all the conditions of the Offer described in Section 4 of the Offer, "Conditions of the Offer", have been satisfied or waived by the Offeror at or prior to the Expiry Time, the Offeror will take up Suroco Shares validly deposited under the Offer and not properly withdrawn promptly following the Expiry Time but in no event later than ten days after the Expiry Time of the Offer and will pay for Suroco Shares taken up as soon as practicable thereafter, but in any event not later than three business days after taking up the deposited Suroco Shares.

Withdrawal of Deposited Suroco Shares

Suroco Shares deposited under the Offer may be withdrawn by or on behalf of the depositing Suroco Shareholder at any time before the Suroco Shares have been taken up by the Offeror under the Offer (including during any Subsequent Offering Period) and in the other circumstances described in Section 8 of the Offer, "Withdrawal of Deposited Suroco Shares". Except as so indicated or as otherwise required or permitted by applicable Laws, deposits of Suroco Shares are irrevocable.

Acquisition of Suroco Shares Not Deposited Under the Offer

If, within 120 days after the date of the Offer, the Offer has been accepted by Suroco Shareholders who, in the aggregate, hold not less than 90% of the issued and outstanding Suroco Shares in respect of which the Offer was made as at the Expiry Time, other than Suroco Shares held at the date of the Offer by, or by a nominee for, the Offeror or its affiliates, if any, and the Offeror acquires or is bound to take up and pay for such deposited Suroco Shares under the Offer, the Offeror intends, to the extent possible, to acquire those Suroco Shares that remain outstanding held by those persons who did not accept the Offer pursuant to a Compulsory Acquisition. If the right of Compulsory Acquisition is not available for any reason, or if the Offeror elects not to pursue such right, the Offeror may pursue other means of acquiring, directly or indirectly, all of the Suroco Shares and other securities exercisable for or convertible or exchangeable into Suroco Shares in accordance with applicable Law, including by means of a Subsequent Acquisition Transaction. The detailed terms of any Subsequent Acquisition Transaction, including the timing of its implementation and the consideration to be received by Suroco Shareholders, would necessarily be subject to a number of considerations, including the number of Suroco Shares acquired pursuant to the Offer. Accordingly, the Offeror reserves the right not to propose a Compulsory Acquisition or Subsequent Acquisition Transaction, or to propose a Subsequent Acquisition Transaction on terms that are different than as described in the Circular. See Section 12 of the Circular, "Acquisition of Suroco Shares Not Deposited Under the Offer".

Suroco Shareholders who do not deposit their Suroco Shares under the Offer may have certain rights of dissent in the event the Offeror acquires such Suroco Shares by way of a Compulsory Acquisition or Subsequent Acquisition Transaction, including the right to seek judicial determination of the fair value of their Suroco Shares. See Section 12 of the Circular, "Acquisition of Suroco Shares Not Deposited Under the Offer".

Stock Exchange Listing

The Suroco Shares are listed on the TSXV under the symbol "SRN". See Section 7 of the Circular, "Certain Information Concerning Securities of Suroco". The purchase of Suroco Shares by the Offeror under the Offer will reduce the number of Suroco Shares that might otherwise trade publicly and will reduce the number of Suroco Shareholders and, depending on the number of Suroco Shares acquired by the Offeror, could materially adversely affect the liquidity and market value of any remaining Suroco Shares held by the public. Depending on the number of Suroco Shares purchased by the Offeror under the Offer or otherwise, it is possible that the Suroco Shares will fail to meet the criteria of the TSXV for continued listing on the TSXV. If the Offeror proceeds with a Compulsory Acquisition or a Subsequent Acquisition Transaction, the Offeror intends to cause Suroco to apply to delist the Suroco Shares from the TSXV as soon as practicable after completion of the Offer and such Compulsory Acquisition or Subsequent Acquisition Transaction. See Section 16 of the Circular, "Effect of the Offer on the Market for and Listing of Suroco Shares and Status as a Reporting Issuer".

Principal Canadian Federal Income Tax Considerations

A Resident Suroco Shareholder who disposes of Suroco Shares pursuant to the Offer will be considered to have disposed of such Suroco Shares for proceeds of disposition equal to the Offer Price paid in exchange for such shares. The Resident Suroco Shareholder will realize a capital gain (or capital loss) to the extent that such proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to the Resident Suroco Shareholder of such Suroco Shares immediately before the disposition.

Similarly, a Non-Resident Suroco Shareholder who disposes of Suroco Shares pursuant to the Offer will realize a capital gain or a capital loss computed in the manner described above. However, a Non-Resident Suroco Shareholder will not be subject to tax under the Tax Act on any capital gain realized on the disposition of Suroco Shares pursuant to the Offer, unless the Suroco Shares constitute taxable Canadian property (as defined in the Tax Act) to the Non-Resident Suroco Shareholder and the Suroco Shares are not "treaty protected property" (as defined in the Tax Act) of the Non-Resident Suroco Shareholder.

Depending on the manner and circumstances in which a Subsequent Acquisition Transaction is undertaken, if any, the tax consequences applicable to a Suroco Shareholder who is disposing of Suroco Shares pursuant to a Subsequent Acquisition Transaction could differ in a materially adverse way from the tax consequences that would be applicable to such Suroco Shareholder if it were to dispose of Suroco Shares under the Offer. In the case of a Non-Resident Suroco Shareholder, a portion of the consideration received on the disposition of Suroco Shares pursuant to a Subsequent Acquisition Transaction could be subject to Canadian withholding tax.

The foregoing is only a brief summary of principal Canadian federal income tax consequences and is qualified by the description of principal Canadian federal income tax considerations in Section 17 of the Circular, “Principal Canadian Federal Income Tax Considerations”. Suroco Shareholders are urged to consult their own tax advisors to determine the particular tax consequences to them of a depositing of Suroco Shares pursuant to the Offer or a disposition of Suroco Shares pursuant to any Compulsory Acquisition, Subsequent Acquisition Transaction, or any other disposition in connection with the Offer.

Information Agent and Depositary

The Offeror has engaged Kingsdale Shareholder Services to act as the Information Agent and Depositary to receive deposits of certificates representing Suroco Shares and accompanying Letters of Transmittal deposited under the Offer at its offices in Toronto, Ontario specified in the Letter of Transmittal and to provide information to Suroco Shareholders in connection with the Offer. In addition, the Information Agent and Depositary will receive Notices of Guaranteed Delivery at its offices in Toronto, Ontario specified in the Notice of Guaranteed Delivery. The Information Agent and Depositary will also be responsible for giving certain notices, if required, and for making payment for all Suroco Shares purchased by the Offeror under the Offer. The Information Agent and Depositary will also facilitate book-entry transfers of Suroco Shares. See Section 3 of the Offer, “Manner of Acceptance”, and Section 21 of the Circular, “Information Agent and Depositary”.

The Information Agent and Depositary will receive reasonable and customary compensation from the Offeror for its services in connection with the Offer and will be reimbursed for certain out-of-pocket expenses.

Questions and requests for assistance may be directed to the Information Agent and Depositary at 1-855-682-8087 toll free in North America or at 1-416-867-2272 outside of North America or by e-mail at contactus@kingsdaleshareholder.com.

Financial Advisor and Soliciting Dealer Group

The Offeror has retained FirstEnergy Capital Corp. to act as its financial advisor in connection with the Offer and to serve as the Dealer Manager to solicit acceptances of the Offer. FirstEnergy Capital Corp. has the right to form a Soliciting Dealer Group comprised of members of the Investment Regulatory Organization of Canada and members of the TSXV to solicit acceptances of the Offer from persons who are resident in Canada.

No fee or commission will be payable by any Suroco Shareholder who transmits their Suroco Shares directly to the Information Agent and Depositary or who makes use of the services of a Soliciting Dealer to accept the Offer.

See Section 20 of the Circular, “Financial Advisor, Dealer Manager and Soliciting Dealer Group”.

GLOSSARY

The following terms have the meanings set out below in the Offer and Circular and Proxy Circular Supplement, including the section entitled “Summary”, but not including the Schedules:

“**ABCA**” means the *Business Corporations Act* (Alberta), as amended or replaced from time to time;

“**Acquisition**” means the Offer, a Compulsory Acquisition or any Subsequent Acquisition Transaction;

“**affiliate**” has the meaning given to that term in National Instrument 45-106 – *Prospectus and Registration Exemptions*, as amended or replaced from time to time;

“**Alentar**” means Alentar Holdings Inc., a corporation existing under the laws of Panama;

“**Alentar Loan**” has the meaning given to that term in Section 15 of the Circular “Regulatory Matters”;

“**allowable capital loss**” has the meaning given to that term in Section 17 of the Circular, “Principal Canadian Federal Income Tax Considerations - Suroco Shareholders Resident in Canada - Taxation of Capital Gains and Capital Losses”;

“**Arrangement**” means the proposed plan of arrangement between Petroamerica and Suroco pursuant to the Arrangement Agreement, whereby Petroamerica will acquire all of the issued and outstanding Suroco Shares for a purchase price of 1.7627 common shares of Petroamerica for each Suroco Share;

“**Arrangement Agreement**” means the arrangement agreement between Petroamerica and Suroco dated April 26, 2014;

“**Arrangement Resolution**” means the special resolution of Suroco Shareholders to be voted on at the Suroco Meeting authorizing the Arrangement;

“**associate**” has the meaning given to that term in the Securities Act;

“**ATOP**” means Automated Tender Offer Program pursuant to which book-entry transfers may be effected;

“**BOE**” means barrels of oil equivalent;

“**Book-Entry Confirmation**” means confirmation of a book-entry transfer of a Suroco Shareholder’s Suroco Shares into the Information Agent and Depository’s account at CDS or DTC, as applicable;

“**business day**” means any day, other than a Saturday, Sunday or a day on which banking institutions in Calgary, Alberta are authorized or obligated by law to close;

“**CDS**” means CDS Clearing and Depository Services Inc., or its nominee, which at the date hereof is CDS & Co.;

“**CDSX**” means the CDS online tendering system pursuant to which book-entry transfers may be effected;

“**Circular**” means the circular accompanying and forming part of the Offer and Proxy Circular Supplement;

“**Compulsory Acquisition**” has the meaning given to that term in Section 12 of the Circular, “Acquisition of Suroco Shares Not Deposited Under the Offer”;

“**Convention**” has the meaning given to that term in Section 17 of the Circular, “Principal Canadian Federal Income Tax Considerations – Suroco Shareholders Not Resident in Canada – Disposition of Suroco Shares Pursuant to a Subsequent Acquisition Transaction or Other Alternatives”;

“Convertible Securities” means any securities of Suroco exercisable or exchangeable for, convertible into or otherwise conferring a right to acquire, any Suroco Shares, including, any options, warrants or contingent value rights;

“CRA” has the meaning given to that term in Section 17 of the Circular, “Principal Canadian Federal Income Tax Considerations”;

“Dealer Manager” means FirstEnergy Capital Corp.;

“Deposited Shares” has the meaning given to that term in Section 3 of the Offer, “Manner of Acceptance– Dividends and Distributions”;

“Dissenting Offeree” has the meaning given to that term in Section 12 of the Circular, “Acquisition of Suroco Shares Not Deposited Under the Offer — Compulsory Acquisition”;

“Distributions” has the meaning given to that term in Section 3 of the Offer, “Manner of Acceptance -Dividends and Distributions”;

“DTC” means The Depository Trust Company or its nominee, which at the date hereof is Cede & Co.;

“Eligible Institution” means a Canadian Schedule I chartered bank, a broker or other entity that is a member in good standing of a recognized Medallion program approved by the Securities Transfer Association, including The Securities Transfer Agents Medallion Program (STAMP), a member of The Stock Exchanges Medallion Program (SEMP) or a member of the New York Stock Exchange, Inc. Medallion Signature Program (MSP), acceptable to the Information Agent and Depositary; Members of these programs are usually members of a recognized stock exchange in Canada and/or the United States, members of the Investment Industry Regulatory Organization of Canada, members of the National Association of Securities Dealers or banks or trust companies in the United States;

“entities” means, collectively, with respect to either Suroco, the Offeror, the subsidiaries, associates, affiliates or other persons in which Suroco, the Offeror, as the case may be, has a direct or indirect material interest;

“Expiry Date” means July 17, 2014, or such later date or dates to which the Offer may be extended from time to time by the Offeror in accordance with Section 5 of the Offer, “Extension, Variation or Change of the Offer”;

“Expiry Time” means, in respect of the Offer, 5:00 p.m. (Calgary Time) on the Expiry Date;

“Extended Offeror Group” has the meaning given to that term in Section 8 of the Circular, “Holdings of Securities of Suroco”;

“forward looking information” has the meaning given to that term under the heading “Cautionary Note Regarding Forward Looking Statements”;

“fully diluted basis” means, with respect to the number of issued and outstanding Suroco Shares at any time, such number of issued and outstanding Suroco Shares calculated assuming that all Convertible Securities of Suroco are converted;

“Governmental Authority” means any (i) multinational, federal, territorial, provincial, state, municipal, local or other governmental or public department, central bank, court, commission, board, bureau or agency, domestic or foreign, (ii) any stock exchange or over-the-counter marketplace, (iii) any subdivision or authority of any of the foregoing or (iv) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above;

“IFRS” means the international financial reporting standards;

“including” means including without limitation;

“Information Agent and Depository” means Kingsdale Shareholder Services, who can be contacted at 1-855-682-8087 toll free in North America or at 1-416-867-2272 outside of North America or by email at contactus@kingsdaleshareholder.com;

“Information Circular” means the information circular and proxy statement of Suroco dated May 27, 2014, in respect of the Suroco Meeting;

“Laws” means any and all (i) laws (including common law), constitutions, treaties, statutes, codes, ordinances, orders, decrees, rules, regulations, by-laws, and principles of law and equity, (ii) judicial, arbitral, administrative, ministerial, departmental or regulatory judgment, orders, decisions, rulings or awards of any Governmental Authority, and (iii) policies, guidelines and protocols of any Governmental Authority, and the term “applicable” with respect to such Laws (including environmental Laws) and in a context that refers to one or more parties, means such Laws as are applicable to such party or its business, undertaking, property or securities and emanate from a Person having jurisdiction over the party or parties or its or their business, undertaking, property or securities;

“Letter of Transmittal” means the letter of transmittal printed on **YELLOW** paper and in the form accompanying the Offer and Circular and Proxy Circular Supplement to be delivered to the Information Agent and Depository to effect the deposit of Suroco Shares by registered Suroco Shareholders pursuant to the Offer;

“Material Adverse Change” means any condition, event, circumstance, change, effect, development, occurrence or state of facts which, when considered either individually or in the aggregate, (i) is, or could reasonably be expected to be, material and adverse to the condition (financial or otherwise), prospects, properties, assets, liabilities, obligations (whether absolute, accrued, conditional or otherwise), businesses, operations, or results of operations of Suroco and its subsidiaries, taken as a whole, (ii) could be reasonably expected to reduce the anticipated economic value to the Offeror of the acquisition of the Suroco Shares or make it inadvisable for, or impair the ability of, the Offeror to proceed with the Offer and/or with taking up and paying for Deposited Shares or completing a Compulsory Acquisition or Subsequent Acquisition Transaction or (iii) could, if the Offer or any Compulsory Acquisition or Subsequent Acquisition Transaction were consummated, be material and adverse to the Offeror or any of its affiliates or which could, prevent, adversely affect or materially delay the Offeror from implementing the Offeror’s plans as described in Section 5 of the Circular, “Purpose of the Offer and the Offeror’s Plans for Suroco”;

“material fact” has the meaning given to that term in the Securities Act;

“MI 61-101” means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, as amended or replaced from time to time;

“MI 62-104” means Multilateral Instrument 62-104 – *Take-Over Bids and Issuer Bids*, as amended or replaced from time to time;

“NI 51-102” means National Instrument 51-102 – *Continuous Disclosure Obligations*, as amended or replaced from time to time;

“Non-Resident Suroco Shareholder” has the meaning given to that term in Section 17 of the Circular, “Principal Canadian Federal Income Tax Considerations – Suroco Shareholders Not Resident in Canada”;

“Non-Registered Holder” means a holder of beneficially owned Suroco Shares;

“Notice of Guaranteed Delivery” means the notice of guaranteed delivery printed on **GREEN** paper and in the form accompanying the Offer and Circular and Proxy Circular Supplement;

“Offer” means the offer to purchase all of the issued and outstanding Suroco Shares made hereby by the Offeror to the Suroco Shareholders, the terms and conditions of which are set forth in the accompanying Offer and Circular and Proxy Circular Supplement, Letter of Transmittal and Notice of Guaranteed Delivery;

“**Offer Price**” means the consideration of \$0.60 in cash to be paid by the Offeror for each Suroco Share taken up under the Offer. See Section 1 of the Offer, “The Offer”.

“**Offeror**” means Vetra Acquisition Ltd. (formerly 1743111 Alberta Ltd.), a corporation existing under the laws of Alberta and a wholly-owned subsidiary of VETRA;

“**Offeror Group**” has the meaning given to that term in Section 8 of the Circular, “Holdings of Securities of Suroco”;

“**Offeror’s Notice**” has the meaning given to that term in Section 12 of the Circular, “Acquisition of Suroco Shares Not Deposited Under the Offer — Compulsory Acquisition”;

“**Order**” has the meaning given to that term in Section 15 of the Circular, “Regulatory Matters”;

“**OSC Rule 62-504**” means Ontario Securities Commission Rule 62-504 – *Take-Over Bids and Issuer Bids*, as amended or replaced from time to time;

“**Performance Warrants**” means certain warrants to acquire Suroco Shares granted by the Suroco Board of Directors from time to time;

“**person**” includes any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, Governmental Authority, syndicate or other entity, whether or not having legal status;

“**Petroamerica**” means Petroamerica Oil Corp., a corporation existing under the laws of the Province of Alberta;

“**Proxy Circular Supplement**” means the proxy circular supplement accompanying and forming part of the Offer and Circular;

“**Purchased Shares**” has the meaning given to that term in Section 3 of the Offer, “Manner of Acceptance — Power of Attorney”;

“**Resident Suroco Shareholder**” has the meaning given to that term in Section 17 of the Circular, “Principal Canadian Federal Income Tax Considerations — Suroco Shareholders Resident in Canada”;

“**RRIFs**” means registered retirement income funds;

“**RRSPs**” means registered retirement savings plans;

“**Securities Act**” means the Securities Act (Alberta), as amended or replaced from time to time;

“**SEDAR**” means the Canadian Securities Administrators’ System for Electronic Document Analysis and Retrieval whose website is www.sedar.com;

“**Soliciting Dealer**” or “**Soliciting Dealer Group**” has the meaning given to that term in Section 20 of the Circular, “Financial Advisor, Dealer Manager and Soliciting Dealer Group”;

“**Subsequent Acquisition Transaction**” has the meaning given to that term in Section 12 of the Circular, “Acquisition of Suroco Shares Not Deposited Under the Offer”;

“**Subsequent Offering Period**” has the meaning given to that term in Section 2 of the Offer, “Time for Acceptance”;

“**subsidiary**” has the meaning given to that term in National Instrument 45-106 *Prospectus and registration Exemptions*, as amended or replaced from time to time;

“**Suroco**” means Suroco Energy Inc., a corporation existing under the laws of the Province of Alberta;

“**Suroco Board of Directors**” means the board of directors of Suroco;

“**Suroco Common Shares Purchase Warrants**” means the outstanding warrants to purchase Suroco Shares issued to Macquarie Bank Limited on March 15, 2013 and January 30, 2014;

“**Suroco Contingent Value Rights**” has the meaning given to that term in Section 7 of the Circular, “Certain Information Concerning Securities of Suroco”;

“**Suroco Meeting**” means the annual and special meeting of Suroco Shareholders to be held on June 25, 2014, or any adjournment thereof, whereby the Suroco Shareholders will be asked, among other things, to consider and vote on the Arrangement Resolution;

“**Suroco Options**” means outstanding stock options to acquire Suroco Shares under the Suroco Option Plan;

“**Suroco Shareholder**” means a holder of a Suroco Share;

“**Suroco Shares**” means the issued and outstanding common shares of Suroco, including any common shares of Suroco issued on the exercise, exchange or commission of any Convertible Securities prior to the Expiry Time, and “Suroco Share” means any one common share of Suroco;

“**Suroco Option Plan**” means Suroco’s incentive stock option plan adopted by the Suroco Board of Directors and approved by Suroco Shareholders on October 6, 2011;

“**Take-Up Date**” means a date upon which the Offeror takes up or acquires Suroco Shares pursuant to the Offer. The Offeror reserves the right, to the extent permitted by applicable Law, to have multiple Take-Up Dates;

“**Tax Act**” means the *Income Tax Act* (Canada), and the regulations thereunder as amended or replaced from time to time;

“**Tax Proposals**” has the meaning given to that term in Section 17 of the Circular, “Principal Canadian Federal Income Tax Considerations”;

“**taxable capital gain**” has the meaning given to that term in Section 17 of the Circular, “Principal Canadian Federal Income Tax Considerations — Suroco Shareholders Resident in Canada — Taxation of Capital Gains and Capital Losses”;

“**TFSAs**” means tax-free savings accounts;

“**TSXV**” means the TSX Venture Exchange;

“**U.S.**” or “**United States**” means the United States of America, its territories and possessions, States of the United States, and the District of Columbia;

“**Valuation Requirements**” has the meaning given to that term in Section 12 of the Circular, “Acquisition of Suroco Shares Not Deposited Under the Offer”; and

“**VETRA**” means VETRA Holding S.a.r.l., a corporation existing under the laws of Luxembourg.

OFFER

The accompanying Circular and Proxy Circular Supplement, which are incorporated into and form part of the Offer, contain important information that should be read carefully before making a decision with respect to the Offer. Capitalized terms used in the Offer but not otherwise defined herein are defined in the accompanying Glossary. All currency amounts expressed herein, unless otherwise indicated, are expressed in Canadian dollars.

June 9, 2014

TO: THE HOLDERS OF COMMON SHARES OF SUROCO ENERGY INC.

1. The Offer

The Offeror is offering to purchase, on the terms and subject to the conditions of the Offer, all of the issued and outstanding Suroco Shares, including any Suroco Shares that may become issued and outstanding upon the exercise, exchange or conversion of Convertible Securities after the date hereof but prior to the Expiry Time, for consideration per Suroco Share of \$0.60 in cash.

The Offer consideration represents a premium of approximately 86% to the trading price of Suroco Shares prior to announcement of the Arrangement with Petroamerica based on the 20 day VWAP and an 11% premium to Petroamerica's all-share offer based on the VWAP since announcement of the Arrangement.

The Offer is being made only for Suroco Shares and is not being made for any other securities. Any holder of Convertible Securities who wishes to accept the Offer should, subject to and to the extent permitted by the terms of such securities and applicable Laws, exercise, exchange or convert such Convertible Securities in order to acquire Suroco Shares and then deposit those Suroco Shares on a timely basis in accordance with the terms of the Offer. Any such exercise, exchange or conversion must be completed sufficiently in advance of the Expiry Time to ensure that the holder of such Convertible Securities will have received share certificates representing the Suroco Shares issuable upon such exercise, exchange or conversion in time for deposit prior to the Expiry Time, or in sufficient time to comply with the procedures referred to under Section 3 of the Offer, "Manner of Acceptance — Procedure for Guaranteed Delivery".

The obligation of the Offeror to take up and pay for Suroco Shares pursuant to the Offer is subject to certain conditions. See Section 4 of the Offer, "Conditions of the Offer".

All amounts payable under the Offer will be paid in Canadian dollars.

Suroco Shareholders should contact the Information Agent and Depositary, their investment advisor, stockbroker, bank, trust company or other nominee for assistance in accepting the Offer and in depositing their Suroco Shares with the Information Agent and Depositary. The Information Agent and Depositary can be contacted at 1-855-682-8087 toll free in North America or at 1-416-867-2272 outside of North America or by e-mail at contactus@kingsdaleshareholder.com.

Suroco Shareholders will not be required to pay any fee or commission if they accept the Offer by depositing their Suroco Shares directly with the Information Agent and Depositary or if they make use of the services of a Soliciting Dealer to accept the Offer.

Suroco Shareholders whose Suroco Shares are registered in the name of an investment advisor, stockbroker, bank, trust company or other nominee should immediately contact such nominee for assistance in depositing their Suroco Shares.

Intermediaries likely have established cut-off times for deposits that are up to 48 hours prior to the Expiry Time. Suroco Shareholders must instruct their brokers or other intermediaries promptly if they wish to deposit their Suroco Shares.

This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from or on behalf of, Suroco Shareholders in any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the Laws of such jurisdiction. However, the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Offer to Suroco Shareholders in any such jurisdiction.

2. Time for Acceptance

The Offer is open for acceptance during the period commencing on June 11, 2014 and ending at 5:00 p.m. (Calgary Time) on July 17, 2014, or such later time or times and date or dates to which the Offer may be extended from time to time by the Offeror, in accordance with Section 5 of the Offer, "Extension, Variation or Change of the Offer", unless the Offer is withdrawn by the Offeror. Any decision to extend the Offer, including for how long, will be made prior to the Expiry Time. The Expiry Time may be subject to multiple extensions. If the Offeror elects or is required to extend the Expiry Time for the Offer, it will publically announce the variation and the new expiration date no later than 9:00 a.m. (Calgary Time) on the first business day after the previously scheduled expiration of the offer and, if required by applicable Law, the Offeror will mail you a copy of the notice of variation.

The Offeror reserves the right to provide a subsequent offering period (a "**Subsequent Offering Period**"). A Subsequent Offering Period, if one is provided, will be an additional period of no less than ten days, beginning immediately after the Offeror accepts for payment (subject to the requirement to promptly pay for) all the Suroco Shares deposited to the Offer, during which period Suroco Shareholders may deposit their Suroco Shares, provided that, among other requirements, the Offeror announces the results of the initial offering period of the Offer, including the approximate number and percentage of Suroco Shares deposited under the Offer, no later than 9:00 a.m. (Calgary Time) on the next business day following the date upon which the Offeror becomes entitled to take up Suroco Shares under applicable Laws. In accordance with Canadian Law and custom, the Offeror intends to take up and pay for Suroco Shares deposited during the Subsequent Offering Period within ten calendar days of the date the Suroco Shares were deposited.

If the Offeror elects to provide a Subsequent Offering Period, the Offeror will publicly announce the Subsequent Offering Period and, if required by applicable Law, the Offeror will mail you a notice of the Subsequent Offering Period.

The factors that could affect the Offeror's decision as to whether it will elect to provide a Subsequent Offering Period include, without limitation, (i) the number of Deposited Shares, (ii) whether the Offeror can effect a Compulsory Acquisition or Subsequent Acquisition Transaction after the Expiry Time and, in particular, whether the number of Deposited Shares, together with the Suroco Shares held by the Offeror and its affiliates, represents not less than 90% or 66⅔% of the issued and outstanding Suroco Shares (calculated on a fully diluted basis), (iii) the conditions to the Offer being satisfied, and (iv) discussions with its financial and legal advisors regarding the feasibility of a Subsequent Offering Period, a Compulsory Acquisition and/or a Subsequent Acquisition Transaction.

3. Manner of Acceptance

Letter of Transmittal

The Offer may be accepted by delivering to the Information Agent and Depositary at its offices in Toronto, Ontario specified in the Letter of Transmittal (printed on **YELLOW** paper) accompanying the Offer, so as to be received at or prior to the Expiry Time:

- (a) the certificate(s) representing the Suroco Shares in respect of which the Offer is being accepted;

- (b) a Letter of Transmittal in the form accompanying the Offer (or a manually executed facsimile thereof), properly completed and duly executed in accordance with the instructions and rules set forth in the Letter of Transmittal (including a signature guarantee if required); and
- (c) all other documents required by the terms of the Offer and the Letter of Transmittal.

The signature on the Letter of Transmittal must be guaranteed by an Eligible Institution or in some other manner acceptable to the Information Agent and Depositary (except that no guarantee is required for the signature of a depositing Suroco Shareholder that is an Eligible Institution) if it is signed by a person other than the registered owner(s) of the Suroco Shares being deposited, or if the Suroco Shares not purchased are to be returned to a person other than such registered owner(s) or sent to an address other than the address of the registered owner(s) as shown on the registers of Suroco, or if payment is to be issued in the name of a person other than the registered owner(s) of the Suroco Shares being deposited. If a Letter of Transmittal is executed by a person other than the registered holder of the Suroco Shares represented by the certificate(s) deposited therewith, then the certificate(s) must be endorsed or be accompanied by an appropriate share transfer power of attorney duly and properly completed by the registered holder, with the signature on the endorsement panel or share transfer power of attorney guaranteed by an Eligible Institution.

The Offer will be deemed to be accepted only if the Information Agent and Depositary has actually received these documents at or prior to the Expiry Time. Alternatively, Suroco Shares may be deposited under the Offer in compliance with the procedures for book-entry transfers set out below under the heading “Acceptance by Book-Entry Transfer” or in compliance with the procedures for guaranteed delivery set out below under the heading “Procedure for Guaranteed Delivery”.

CDS and DTC will be issuing instructions to their participants as to the method of depositing such Suroco Shares under the terms of the Offer. See “Acceptance by Book-Entry Transfer” below.

Acceptance by Book-Entry Transfer

Suroco Shareholders may accept the Offer by following the procedures for a book-entry transfer established by CDS and DTC provided that a Book-Entry Confirmation through CDSX or ATOP is received by the Information Agent and Depositary at its office in Toronto, Ontario specified in the Letter of Transmittal at or prior to the Expiry Time. The Information Agent and Depositary has established an account at CDS and at DTC for the purpose of the Offer. Any financial institution that is a participant in CDS or in DTC may cause CDS or DTC to make a book-entry transfer of a Suroco Shareholder’s Suroco Shares into the Information Agent and Depositary’s account in accordance with CDS’ and DTC’s procedures for such transfer. Delivery of Suroco Shares to the Information Agent and Depositary by means of a book-entry transfer will constitute a valid deposit of such Suroco Shares under the Offer. Suroco Shareholders, through their respective CDS or DTC participants who utilize CDSX or ATOP systems to accept the Offer through a book-entry transfer of their holdings into the Information Agent and Depositary’s account with CDS or DTC, shall be deemed to have completed and delivered a Letter of Transmittal and to be bound by the terms thereof and therefore such instructions received by the Information Agent and Depositary are considered a valid deposit of Suroco Shares in accordance with the terms of the Offer.

Procedure for Guaranteed Delivery

If a Suroco Shareholder wishes to deposit Suroco Shares pursuant to the Offer and (a) the certificate(s) representing the Suroco Shares are not immediately available, (b) the Suroco Shareholder cannot complete the procedure for book-entry transfer of such Suroco Shares on a timely basis, or (c) the certificate(s) and all other required documents cannot be delivered to the Information Agent and Depositary at or prior to the Expiry Time, such Suroco Shares nevertheless may be deposited validly under the Offer provided that all of the following conditions are met:

- (a) the deposit is made by or through an Eligible Institution;

- (b) a Notice of Guaranteed Delivery printed on **GREEN** paper (or a manually executed facsimile thereof) in the form accompanying the Offer, properly completed and duly executed, including the guarantee of delivery by an Eligible Institution in the form set out in the Notice of Guaranteed Delivery, is received by the Information Agent and Depository at its offices in Toronto, Ontario specified in the Notice of Guaranteed Delivery at or prior to the Expiry Time; and
- (c) the certificate(s) representing deposited Suroco Shares in proper form for transfer, together with a Letter of Transmittal (or a manually executed facsimile thereof), properly completed and duly executed, together with any required signature guarantees, and all other documents required by the Letter of Transmittal are received by the Information Agent and Depository at or prior to 5:00 p.m. (Calgary Time) on the third trading day on the TSXV after the Expiry Time; to constitute delivery for the purpose of satisfying a guaranteed delivery, the Letter of Transmittal and accompanying share certificate(s) must be delivered to the Toronto, Ontario office of the Information Agent and Depository.

The Notice of Guaranteed Delivery may be delivered by mail, hand or courier or transmitted by facsimile transmission to the Information Agent and Depository at its offices in Toronto, Ontario specified in the Notice of Guaranteed Delivery at or prior to the Expiry Time and must include a guarantee by an Eligible Institution in the form set forth in the Notice of Guaranteed Delivery. Delivery of the Notice of Guaranteed Delivery and the Letter of Transmittal and accompanying certificate(s) representing Suroco Shares and all other required documents to an address or transmission by facsimile to facsimile number other than those specified in the Notice of Guaranteed Delivery does not constitute delivery for purposes of satisfying a guaranteed delivery.

General

In all cases, payment for Suroco Shares deposited and taken up by the Offeror will be made only after timely receipt by the Information Agent and Depository of (a) certificates representing the Suroco Shares, as applicable (or, in the case of a book-entry transfer to the Information Agent and Depository, a Book-Entry Confirmation for the Suroco Shares, as applicable), (b) a Letter of Transmittal (or a manually executed facsimile thereof), properly completed and duly executed, covering such Suroco Shares with the signatures guaranteed, if required, in accordance with the instructions set out in the Letter of Transmittal (or in the case of a book-entry transfer to the Information Agent and Depository through CDS or DTC, a Book-Entry Confirmation for the Suroco Shares), and (c) all other required documents.

If a share certificate has been lost or destroyed, the Letter of Transmittal should be completed as fully as possible and forwarded, together with a letter describing the loss and a contact telephone number, to the Information Agent and Depository at its offices in Toronto, Ontario specified in the Letter of Transmittal. The Information Agent and Depository will forward a copy to the transfer agent for the Suroco Shares and such transfer agent will advise you of the replacement requirements, which must be properly completed and returned before the Expiry Time.

The method of delivery of certificates representing Suroco Shares, the Letter of Transmittal, the Notice of Guaranteed Delivery and all other required documents is at the option and risk of the person depositing those documents. The Offeror recommends that such documents be delivered by hand to the Information Agent and Depository and a receipt obtained or, if mailed, that registered mail, with return receipt requested, be used and that proper insurance be obtained. It is suggested that any such mailing be made sufficiently in advance of the Expiry Time to permit delivery to the Information Agent and Depository before the Expiry Time. Delivery will only be effective upon actual physical receipt by the Information Agent and Depository.

Persons whose Suroco Shares are registered in the name of an investment advisor, stockbroker, bank, trust company or other nominee should contact such nominee for assistance if they wish to accept the Offer in order to take the necessary steps to be able to deposit such Suroco Shares under the Offer. Nominees

likely have established cut-off times for deposits that are up to 48 hours prior to the Expiry Time. Suroco Shareholders must instruct their investment advisor, stockbroker, bank, trust company or other nominee promptly if they wish to deposit their Suroco Shares.

All questions as to the validity, form, eligibility (including timely receipt) and acceptance of any Suroco Shares deposited under the Offer will be determined by the Offeror in its sole discretion. Depositing Suroco Shareholders agree that such determination shall be final and binding. The Offeror reserves the right to reject any and all deposits that it determines not to be in proper form or that may be unlawful to accept under the Laws of any applicable jurisdiction. The Offeror reserves the right to waive any defects or irregularities in the deposit of any Suroco Shares. There shall be no duty or obligation of the Offeror, the Information Agent and Depositary or any other person to give notice of any defects or irregularities in any deposit and no liability shall be incurred by any of them for failure to give any such notice. The Offeror's interpretation of the terms and conditions of the Offer, the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery will be final and binding.

The Offeror reserves the right to permit the Offer to be accepted in a manner other than that set out in this Section 3.

Under no circumstance will interest accrue or any amount be paid by the Offeror or the Information Agent and Depositary by reason of any delay in making payments for Suroco Shares to any person on account of Suroco Shares accepted for payment under the Offer.

Suroco Shareholders will not be required to pay any fee or commission if they accept the Offer by depositing their Suroco Shares directly with the Information Agent and Depositary or if they make use of the services of a Soliciting Dealer to accept the Offer.

Suroco Shareholders should contact the Information Agent and Depositary, their investment advisor, stockbroker, bank, trust company or other nominee for assistance in accepting the Offer and depositing Suroco Shares with the Information Agent and Depositary.

Dividends and Distributions

Subject to the terms and conditions of the Offer and subject, in particular, to Suroco Shares being validly withdrawn by or on behalf of a depositing Suroco Shareholder, and except as provided below, by accepting the Offer pursuant to the procedures set forth herein, a Suroco Shareholder deposits, sells, assigns and transfers to the Offeror all right, title and interest in and to the Suroco Shares covered by the Letter of Transmittal or book-entry transfer (the "**Deposited Shares**") and in and to all rights and benefits arising from such Deposited Shares including, any and all dividends, distributions, payments, securities, property or other interests that may be declared, paid, accrued, issued, distributed, made or transferred on or in respect of the Deposited Shares or any of them after June 11, 2014 (being the date the Offer is open for acceptance), including, any dividends, distributions or payments on such dividends, distributions, payments, securities, property or other interests and any securities, property or other interests for which such Deposited Shares may be exercised, exchanged or converted (collectively, "**Distributions**").

Power of Attorney

The execution of a Letter of Transmittal or the making of a book-entry transfer in accordance with Section 3 of the Offer, "Manner of Acceptance — Acceptance by Book-Entry Transfer", irrevocably appoints each officer of the Offeror and any other person designated by the Offeror in writing as the true and lawful agent, attorney and attorney-in-fact and proxy of the holder of the Deposited Shares deposited pursuant to the Offer and purchased by the Offeror (the "**Purchased Shares**"), and with respect to any and all Distributions thereon which may be declared, paid, accrued, issued, distributed, made or transferred on or in respect of the Purchased Shares or any of them after June 11, 2014 except as otherwise indicated in Section 10 of the Offer, "Changes in Capitalization, Dividends, Distributions and Liens".

Such power of attorney shall be effective on or after the date that the Offeror takes up and pays for the Purchased Shares, with full power of substitution and resubstitution (such powers of attorney, being coupled with an interest, being irrevocable), to, in the name of and on behalf of such Suroco Shareholder:

- (a) register or record the transfer and/or cancellation of Purchased Shares and Distributions on the appropriate registers maintained by or on behalf of Suroco;
- (b) for so long as any such Purchased Shares are registered or recorded in the name of such Suroco Shareholder, to exercise any and all rights of such Suroco Shareholder including, the right to vote, execute and deliver, as and when requested by the Offeror, any instruments of proxy, authorizations, resolutions or consents in form and on terms satisfactory to the Offeror in respect of any Purchased Shares and Distributions, to revoke any such instrument, authorization, resolution or consent, or to designate in any such instrument, authorization, resolution or consent any person or persons as the proxyholder of such Suroco Shareholder in respect of such Purchased Shares or Distributions for all purposes including, in connection with any meeting (whether annual, special or otherwise or any adjournments or postponements thereof, including, any meeting to consider a Subsequent Acquisition Transaction) of holders of relevant securities of Suroco;
- (c) execute, endorse and negotiate any cheques or other instruments representing any Distributions payable to or to the order of, or endorsed in favour of, a holder of Purchased Shares or Distributions;
- (d) exercise any rights of a holder of Purchased Shares and Distributions with respect to such Purchased Shares and Distributions; and
- (e) execute all such further and other documents, transfers or other assurances as may be necessary or desirable in the sole judgment of the Offeror to effectively convey such Purchased Shares and Distributions to the Offeror, all as specified in the Letter of Transmittal.

A Suroco Shareholder who executes a Letter of Transmittal (or who deposits Suroco Shares by making a book-entry transfer) also agrees, effective on and after the date the Offeror takes up and pays for Purchased Shares, not to vote any of the Purchased Shares or Distributions at any meeting (whether annual, special or otherwise or any adjournments or postponements thereof, including, any meeting to consider a Subsequent Acquisition Transaction) of holders of relevant securities of Suroco and not to exercise any or all of the other rights or privileges attached to the Purchased Shares or Distributions and agrees to execute and deliver to the Offeror any and all instruments of proxy, authorizations or consents, in form and on terms satisfactory to the Offeror, in respect of all or any of the Purchased Shares or Distributions, and to designate in such instruments of proxy the person or persons specified by the Offeror as the proxy or the proxy nominee or nominees of the holder in respect of the Purchased Shares or Distributions. Upon such appointment, all prior proxies and other authorizations (including, all appointments of any agent, attorney or attorney-in-fact) or consents given by the holder of such Purchased Shares or Distributions with respect thereto shall be revoked and no subsequent proxies or other authorizations or consents may be given by such person with respect thereto.

NOTE: This power of attorney does not permit the Offeror to vote on the Arrangement Resolution at the Suroco Meeting. Accordingly, Suroco Shareholders still need to complete and submit the enclosed BLUE proxy.

Further Assurances

A Suroco Shareholder accepting the Offer covenants under the terms of the Letter of Transmittal or book-entry transfer to execute, upon request of the Offeror, any additional documents, transfers and other assurances as may be necessary or desirable to complete the sale, assignment and transfer of the Purchased Shares or Distributions

to the Offeror and acknowledges that all authority therein conferred or agreed to be conferred may be exercised during any subsequent legal incapacity of such holder and shall, to the extent permitted by Law, survive the death or incapacity, bankruptcy or insolvency of the Suroco Shareholder and all obligations of the Suroco Shareholder therein shall be binding upon the heirs, executors, administrators, attorneys, personal representatives, successors and assigns of such Suroco Shareholder.

Formation of Agreement; Depositing Suroco Shareholders' Representations and Warranties

The acceptance of the Offer pursuant to the procedures described above will constitute a binding agreement between the depositing Suroco Shareholder and the Offeror, effective immediately following the time at which the Offeror takes up Suroco Shares deposited by such Suroco Shareholder, upon the terms and subject to the conditions of the Offer, including the depositing Suroco Shareholder's representation and warranty that: (i) such person has full power and authority to deposit, sell, assign and transfer the Suroco Shares (and any Distributions) being deposited and all rights, benefits and interests therein or arising therefrom (including, without limitation, any Distributions) and has not sold, assigned or transferred or agreed to sell, assign or transfer any of such Suroco Shares or Distributions (or interests therein or arising therefrom) to any other person, (ii) such person depositing the Suroco Shares (and any Distributions), or on whose behalf such Suroco Shares (and any Distributions) are being deposited, has good title to and is the beneficial owner of the Suroco Shares (and any Distributions) being deposited within the meaning of applicable Laws, (iii) the deposit of such Suroco Shares (and any Distributions) complies with applicable Laws, and (iv) when such deposited Suroco Shares (and any Distributions) are taken up and paid for by the Offeror, the Offeror will acquire good title thereto free and clear of all liens, restrictions, charges, encumbrances, claims, adverse interests, equities and rights of other persons.

4. Conditions of the Offer

Notwithstanding any other provision of the Offer, and subject to applicable Laws, the Offeror shall have the right to withdraw or terminate the Offer and not take up and pay for any Suroco Shares deposited under the Offer, and/or to extend the period of time during which the Offer is open for acceptance and postpone taking up and paying for any Suroco Shares deposited under the Offer, and/or to amend the Offer, unless all of the following conditions are satisfied or waived by the Offeror (in its sole discretion) at or before the Expiry Time.

- (a) there shall have been validly deposited under the Offer and not withdrawn, at or prior to the Expiry Time, such number of Suroco Shares that, together with any Suroco Shares owned by the Offeror and its affiliates, if any, represents not less than 50.1% of the Suroco Shares (calculated on a fully diluted basis);
- (b) the Suroco Shareholders shall not have approved the Arrangement Resolution at the Suroco Meeting or the Arrangement shall have otherwise been terminated;
- (c) the dollar amount of any break fee or other compensation or expense reimbursement payable to Petroamerica in connection with the Arrangement is not increased from the amount specifically contemplated in the Arrangement Agreement as of the date hereof;
- (d) the Offeror shall have determined in its sole discretion that none of Suroco or any of its subsidiaries shall have disclosed a previously undisclosed action, event or change, or shall have taken any action or failed to take any action since the date of this Offer and Circular and Proxy Circular Supplement, or authorized, recommended, proposed or announced the intention to take any action, that prevents, adversely affects or materially delays the Offeror from acquiring Suroco Shares or implementing the Offeror's plans as described in Section 5 of the Circular, "Purpose of the Offer and the Offeror's Plans for Suroco", or makes it inadvisable for the Offeror to proceed with the Offer and/or take up and pay for Suroco Shares under the Offer, any Compulsory Acquisition or any Subsequent Acquisition Transaction or would reasonably be expected to have any such effect, including:

- (i) issuing, selling or authorizing any additional Suroco Shares, shares of any other class or series in the capital of Suroco or any of its subsidiaries, other voting securities or any securities convertible into, or options, rights or warrants, conditional or otherwise, to acquire, any of the foregoing, or any other securities or rights in respect of, in lieu of, or in substitution or exchange for any of the foregoing, other than issuances of securities required by Law or upon the exercise of any Convertible Securities outstanding on the date of the Offer in accordance with the terms of such Convertible Securities and as publicly disclosed prior to the date of the Offer;
- (ii) acquiring or otherwise causing a reduction in the number of, or authorizing or proposing the acquisition or other reduction in the number of, outstanding Suroco Shares or other securities of Suroco or any of its subsidiaries;
- (iii) declaring, paying, authorizing or making any payment, distribution or dividend on any of Suroco's securities;
- (iv) altering or proposing to alter any term of any outstanding Suroco securities;
- (v) issuing or selling, or authorizing or proposing the issuance or sale of, any debt securities or otherwise incurring, authorizing, committing to incur or proposing the incurrence of any debt or the making of any loans or advances or guaranteeing or becoming otherwise responsible for any liabilities or obligations of any other person;
- (vi) announcing, entering into or consummating any purchase, licence, lease or other acquisition of an interest in assets or securities that, individually or in the aggregate, is material to Suroco and its subsidiaries on a consolidated basis;
- (vii) taking any action with respect to, or entering into any agreement, proposal, offer or understanding relating to, any sale, disposition, concession, licence, lease, pledge, earn-in, joint venture, spin-out, production sharing, participation or similar arrangement, offtake agreement, streaming agreement or otherwise dealing with any of the assets of Suroco or any of its subsidiaries, other than any such sale, disposition, concession, licence, lease, pledge, earn-in, joint venture, spin-out, production sharing, participation or similar arrangement, offtake, streaming agreement or other dealing between Suroco and any entity which is a wholly-owned subsidiary of Suroco or that, individually or in the aggregate, is not material to Suroco and its subsidiaries on a consolidated basis;
- (viii) taking any action related to any take-over bid (other than the Offer) or tender offer (including, an issuer bid or self-tender offer) or exchange offer, merger, amalgamation, statutory arrangement (other than terminating the Arrangement Agreement), recapitalization, reorganization, consolidation, business combination, share exchange, liquidation, dissolution, winding up or similar transaction involving Suroco or any of its subsidiaries;
- (ix) making or committing to make, or otherwise incurring any obligation in respect of, any capital expenditure that, individually or in the aggregate, is material to Suroco and its subsidiaries on a consolidated basis, other than such commitments or obligations in respect of which Suroco has entered into legally binding agreements prior to the date of the Offer that have been publicly disclosed prior to the date of the Offer;
- (x) entering into, adopting, amending, varying, modifying or taking any other action with respect to any bonus, profit sharing, option, incentive, salary or other compensation, equity based award, pension, retirement, deferred compensation, severance, change in

control, employment or other employee benefit plan, agreement, trust, fund or arrangement for the benefit or welfare of any officer, director or employee of Suroco or its subsidiaries, or similar rights or other benefits;

- (xi) waiving, releasing, relinquishing, impairing, exercising, granting, transferring or amending any rights of material value under or in respect of, or terminating any material contract, license, lease, permit, authorization, private land, concession, agreement, instrument or other document, other than in the ordinary course of business consistent with past practice and only if so doing would not adversely affect Suroco and its subsidiaries on a consolidated basis;
 - (xii) making, proposing, authorizing or permitting any change to the constating documents of Suroco or any of its subsidiaries; or
 - (xiii) any proposal, plan or intention to do any of the foregoing, either publicly announced or commenced by or to Suroco or any of its subsidiaries to engage in any of the foregoing;
- (e) no default, event of default, right of termination, material modification, acceleration or right of acceleration shall have occurred or be expected to occur under any note, bond, mortgage, indenture, licence, lease, contract, instrument, guarantee or other agreement or obligation of Suroco or any of its subsidiaries, or by which any of them or their properties or assets are subject, as a result of the making of the Offer, the taking up and paying for Suroco Shares deposited under the Offer and/or the completion of a Compulsory Acquisition or a Subsequent Acquisition Transaction;
- (f) all Governmental Authority or regulatory consents, authorizations, waivers, permits, reviews, orders, rulings, decisions, approvals or exemptions (including, any competition or antitrust Laws and those of any stock exchange or other securities regulatory authorities) that are necessary to complete the Offer, any Compulsory Acquisition or any Subsequent Acquisition Transaction, any Compulsory Acquisition or any Subsequent Acquisition Transaction, shall have been obtained or concluded on terms and conditions reasonably satisfactory to the Offeror and all regulatory notice and waiting or suspensory periods in respect of the foregoing shall have expired or been terminated;
- (g) no property right, franchise or license of Suroco or any of its subsidiaries, associates or entities shall have been impaired (or threatened to be impaired) or otherwise adversely affected (or threatened to be adversely affected), whether as a result of the making of the Offer, the taking up and paying for Suroco Shares deposited under the Offer, the completion of a Compulsory Acquisition or Subsequent Acquisition Transaction, or otherwise;
- (h) (x) no inquiry, act, action, suit, investigation, litigation, objection, opposition or other proceeding (whether formal or informal) shall have been commenced, announced, threatened or taken before or by, and no judgment or order shall have been issued by, any Governmental Authority or other person (whether or not having the force of Law), and (y) no Law exists or has been proposed, enacted, promulgated or applied, in either case:
- (i) that has or could cease trade, enjoin, prohibit, restrict or impose limitations or conditions (including by way of a temporary restraining order, preliminary or permanent injunction, decree, judgment, order or otherwise) on the Offeror making or maintaining the Offer or taking up and paying for any Suroco Shares deposited under the Offer, the purchase by or the sale to the Offeror of the Suroco Shares, the right of the Offeror to own or exercise full rights of ownership of the Suroco Shares, or consummate a Compulsory Acquisition or a Subsequent Acquisition Transaction, or the ability of the Offeror to acquire or

hold, or exercise full rights of ownership, operation or effective control by the Offeror of any material portion of the business, property, assets, licences or permits of Suroco or its affiliates or subsidiaries;

- (ii) that, if the Offer, any Compulsory Acquisition or any Subsequent Acquisition Transaction were consummated, would result in a Material Adverse Change; or
 - (iii) that would materially and adversely affect (I) the value of the Suroco Shares to the Offeror, or (II) the ability of the Offeror to proceed with the Offer, any Compulsory Acquisition or any Subsequent Acquisition Transaction and/or taking up and paying for any shares deposited under the Offer;
- (i) the Offeror shall have determined in its sole discretion that (i) neither Suroco nor any of its entities shall have taken or proposed to take any action, or disclosed any previously undisclosed action or intention to take any action, and no other person shall have taken or proposed to take any action, that might result in a Material Adverse Change, and (ii) there shall not exist and shall not have occurred any condition, event, circumstance, change, effect, development, occurrence or state of facts that was not publicly disclosed as at the date of the Offer that might constitute or that might result in a Material Adverse Change;
 - (j) the Offeror having determined, in its reasonable judgment, that there shall not have occurred or been threatened on or after the date of this Offer: (i) any general suspension of trading in, or limitation on prices for, securities on the TSXV; (ii) any extraordinary or material adverse change in the financial, banking or capital markets or major stock exchange indices in Canada or the United States or in the market price of the Suroco Shares; (iii) a material change in currency exchange rates or a suspension of, or limitation on, the markets therefor; (iv) a declaration of a banking moratorium or any suspension of payments in respect of banks in Canada or the United States; (v) any limitation (whether or not mandatory) by any Governmental Authority on, or other event that, in the reasonable judgment of the Offeror, might affect the extension of credit by banks or other lending institutions; (vi) a commencement of war or armed hostilities or other national or international calamity involving Canada or the United States; or (vii) in the case of any of the foregoing existing at the time of the commencement of this Offer, a material acceleration or worsening thereof;
 - (k) the Offeror shall not have become aware of any untrue statement of a material fact, or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made and at the date it was made (after giving effect to all subsequent filings in relation to all matters covered in earlier filings), in any document filed by or on behalf of Suroco or its entities with any securities regulatory authority in Canada or elsewhere; and
 - (l) the Offeror having determined, in its sole discretion, that no covenant, term or condition exists in any instrument or agreement to which Suroco or any of its subsidiaries is a party or to which it or any of its assets are subject, which would, if this Offer, a Compulsory Acquisition or a Subsequent Acquisition Transaction were consummated, have or be reasonably expected to have a Material Adverse Change on the Offeror, VETRA or Suroco or any of its entities.

The foregoing conditions are for the exclusive benefit of the Offeror and may be asserted by the Offeror at any time, regardless of the circumstances giving rise to such assertion, including any action or inaction by the Offeror. Each of the foregoing conditions is independent of and in addition to each other such condition. The Offeror may waive any of the foregoing conditions with respect to the Offer in its sole discretion, in whole or in part, at any time and from time to time, both before and after the Expiry Time, without prejudice to any other rights that the Offeror may have. The failure by the Offeror at any time to exercise or assert any of the foregoing rights will

not be deemed a waiver of any such right and each such right will be deemed an ongoing right that may be asserted at any time and from time to time by the Offeror. The Offer is not subject to the approval of the Offeror's shareholders and is not subject to any financing or due diligence conditions.

Any waiver of a condition or the withdrawal of the Offer will be effective upon written notice, or other communication confirmed in writing, by the Offeror to that effect to the Information Agent and Depositary at its principal office in Toronto, Ontario. The Offeror, after giving any such notice, will make a public announcement of such waiver or withdrawal, and will cause the Information Agent and Depositary, if required by Law, as soon as practicable thereafter to notify the Suroco Shareholders, in the manner set forth in Section 9 of the Offer, "Notices and Delivery". If the Offer is withdrawn, the Offeror will not be obligated to take up or pay for any Suroco Shares deposited under the Offer and the Information Agent and Depositary will promptly return all documents deposited to the Information Agent and Depositary under the Offer including certificates representing deposited Suroco Shares, Letters of Transmittal, Notices of Guaranteed Delivery and related documents to the parties by whom they were deposited. See Section 7 of the Offer, "Return of deposited Suroco Shares".

Any determination by the Offeror concerning any events or other matters described in this Section 4 will be final and binding upon all persons for purposes of the Offer.

5. Extension, Variation or Change of the Offer

The Offer is open for acceptance at the place specified in the Letter of Transmittal and in the manner specified under "Manner of Acceptance" in Section 3 of the Offer, above, until, but not after, 5:00 p.m. (Calgary Time) on July 17, 2014, subject to extension or variation in the Offeror's sole discretion, unless the Offer is withdrawn by the Offeror.

Subject to the limitations hereafter described, the Offeror reserves the right in its sole discretion, at any time and from time to time while the Offer is open for acceptance (or at any other time if permitted by applicable Laws), to extend the Expiry Time or to vary the terms of the Offer by giving written notice (or other communication subsequently confirmed in writing, provided that such confirmation is not a condition of the effectiveness of the notice) of such extension or variation to the Information Agent and Depositary at its principal office in Toronto, Ontario, Canada and by causing the Information Agent and Depositary as soon as practicable thereafter to communicate such notice in the manner set forth under "Notices and Delivery" in Section 9 of the Offer, to any Suroco Shareholders whose Deposited Shares have not been taken up prior to the extension or variation. The Offeror shall, as soon as possible after giving notice of an extension or variation to the Information Agent and Depositary, make a public announcement of the extension or variation. In addition, the Offeror will provide a copy of such notice to the TSXV and the applicable securities regulatory authorities. Any notice of extension or variation will be deemed to have been given and the Offer deemed to be extended or varied in accordance with such notice effective on the day on which it is delivered or otherwise communicated in writing to the Information Agent and Depositary at its principal office in Toronto, Ontario, Canada.

Unless otherwise permitted or required by Law and subject to abridgement or elimination of that period pursuant to such orders as may be granted by the applicable securities regulatory authorities, where the terms of the Offer are varied (including if the Offeror makes a material change in the information to the Offer in Section 4 or waives a condition of the Offer), the Offer will not expire before ten days after the date of the notice of such variation or such longer time as is sufficient to allow you to consider the amended terms of the Offer. If, prior to the Expiry Time, the Offeror changes the consideration to be paid for Suroco Shares in the Offer, the percentage of outstanding shares of Suroco Shares being sought in the Offer, the dealers' soliciting fee, or makes a similarly significant change to the Offer, and if the Offer is scheduled to expire at any time before the expiration of a period of ten business days from and including the date that notice of such change is first announced, the Offer will be extended at least until the expiration of that period of ten business days. During any extension or in the event of any variation of the Offer or change in information, all Deposited Shares not taken-up or withdrawn will remain subject to the Offer and may be accepted for purchase by the Offeror in accordance with the terms hereof, subject to Section 8 of the Offer, "Withdrawal of Deposited Shares". An extension of the Expiry Time, a variation of the Offer or a

change in information does not, unless expressly stated, constitute a waiver by the Offeror of its rights under “Conditions of the Offer” in Section 4 of the Offer.

If, before the Expiry Time or after the Expiry Time but before the expiry of all rights of withdrawal with respect to the Offer, a change occurs in the information contained in the Offer or the Circular, as amended from time to time, that would reasonably be expected to affect the decision of a Suroco Shareholder to accept or reject the Offer (other than a change that is not within the control of the Offeror or of an affiliate of the Offeror), the Offeror will provide written notice of such change to the Information Agent and Depositary at its principal office in Toronto, Ontario, Canada, and will, at the expense of the Offeror, cause the Information Agent and Depositary to provide as soon as practicable thereafter a copy of such notice in the manner set forth under “Notices and Delivery” in Section 9 of the Offer, to all Suroco Shareholders whose Deposited Shares have not been taken up under the Offer at the date of the occurrence of the change, if required by applicable Laws. As soon as practicable after giving notice of a change in information to the Information Agent and Depositary, the Offeror will make a public announcement of the change in information and provide a copy of the notice thereof to the TSXV and the applicable securities regulatory authorities. Any notice of change in information will be deemed to have been given and to be effective on the day on which it is delivered or otherwise communicated to the Information Agent and Depositary at its principal office in Toronto, Ontario, Canada.

Notwithstanding the foregoing, but subject to applicable Laws, the Offer may not be extended by the Offeror if all of the terms and conditions of the Offer, except those waived by the Offeror, have been fulfilled or complied with, unless the Offeror first takes up all Suroco Shares deposited under the Offer and not withdrawn.

During any extension or in the event of any variation of the Offer or change in information, all Suroco Shares previously deposited and not taken up or withdrawn will remain subject to the Offer and may be taken up by the Offeror in accordance with the terms hereof, subject to Section 8 of the Offer, “Withdrawal of Deposited Suroco Shares”. An extension of the Expiry Time, a variation of the Offer or a change in information does not, unless otherwise expressly stated, constitute a waiver by the Offeror of its rights under Section 4 of the Offer, “Conditions of the Offer”.

If, prior to the Expiry Time, the consideration being offered for the Suroco Shares under the Offer is increased, the increased consideration will be paid to all depositing Suroco Shareholders of the Suroco Shares whose Suroco Shares are taken up under the Offer, whether or not taken up before or after such variation.

6. Take-up of and Payment for Deposited Suroco Shares

Upon the terms and subject to the conditions of the Offer being satisfied or waived (including the conditions specified in Section 4 of the Offer, “Conditions of the Offer”), the Offeror will take up Suroco Shares validly deposited under the Offer and not properly withdrawn promptly following the Expiry Time but in no event later than ten days after the Expiry Time and will pay for Suroco Shares taken up as soon as practicable thereafter, but in any event not later than three business days after taking up the deposited Suroco Shares. The Offeror will take up and pay for Suroco Shares deposited under the Offer in any Subsequent Offering Period within 10 days after such deposit. The Offeror will be deemed to have taken up and accepted for payment Suroco Shares validly deposited and not properly withdrawn pursuant to the Offer if, as and when the Offeror gives written notice, or other communication confirmed in writing, to the Information Agent and Depositary at its offices in Toronto, Ontario to that effect.

Subject to applicable Law, the Offeror expressly reserves the right in its sole discretion, at any time and from time to time, to delay taking up and paying for any Suroco Shares or to terminate the Offer and not take up or pay for any Suroco Shares pursuant to the Offer if any condition specified in Section 4 of the Offer, “Conditions of the Offer”, is not satisfied or waived by the Offeror, by giving written notice thereof, or other communication confirmed in writing, to the Information Agent and Depositary at its principal office in Toronto, Ontario. The Offeror also expressly reserves the right, in its sole discretion and notwithstanding any other condition of the Offer, to delay taking up and paying for Suroco Shares in order to comply, in whole or in part, with any applicable Law.

The Offeror will pay for Suroco Shares validly deposited under the Offer and not withdrawn by providing the Information Agent and Depositary with sufficient funds (by bank transfer or other means satisfactory to the Information Agent and Depositary) for transmittal to depositing Suroco Shareholders. Under no circumstances will interest accrue or any amount be paid by the Offeror or the Information Agent and Depositary to persons depositing Suroco Shares on the purchase price of Suroco Shares purchased by the Offeror, regardless of any delay in making such deliveries.

The Information Agent and Depositary will act as the agent of persons who have deposited Suroco Shares in acceptance of the Offer for the purposes of receiving payment from the Offeror and transmitting such payment to such persons directly or through CDS or DTC and the respective CDS or DTC participants to those persons who utilized the book-entry transfer to deposit their shares, and receipt of payment by the Information Agent and Depositary will be deemed to constitute receipt of payment by persons depositing Suroco Shares under the Offer.

All cash payments under the Offer will be made in Canadian dollars.

Settlement with each Suroco Shareholder who has deposited (and not withdrawn) Suroco Shares under the Offer will be made by the Information Agent and Depositary issuing or causing to be issued a cheque (except for payments in excess of \$25 million, which will be made by wire transfer, as set out in the Letter of Transmittal) payable in Canadian funds in the amount to which the person depositing Suroco Shares is entitled. Unless otherwise directed by the Letter of Transmittal, the cheque will be issued in the name of the registered holder of the Suroco Shares so deposited. Unless the person depositing the Suroco Shares instructs the Information Agent and Depositary to hold the cheque for pick-up by checking the appropriate box in the Letter of Transmittal, the cheque will be forwarded by mail to such person at the address specified in the Letter of Transmittal. If no such address is specified, the cheque will be sent to the address of the registered holder as shown on the securities register maintained by or on behalf of Suroco. Cheques mailed in accordance with this paragraph will be deemed to be delivered at the time of mailing. Pursuant to applicable Laws, the Offeror may, in certain circumstances, be required to make withholdings from the amount otherwise payable to a Suroco Shareholder.

Suroco Shareholders will not be required to pay any fee or commission if they accept the Offer by depositing their Suroco Shares directly with the Information Agent and Depositary or if they make use of the services of a Soliciting Dealer to accept the Offer. If a Suroco Shareholder owns their Suroco Shares through an investment advisor, stock broker, bank, trust company or other nominee, they should consult their nominee to determine whether any charges will apply.

7. Return of Deposited Suroco Shares

Any Deposited Shares not taken up and paid for by the Offeror pursuant to the terms and conditions of the Offer for any reason will be returned to the depositing Suroco Shareholder promptly following the Expiry Time or the termination or withdrawal of the Offer, by either: (a) returning the deposited certificates representing the Suroco Shares not purchased (and other relevant documents) or (b) in the case of Suroco Shares deposited by book-entry transfer pursuant to the procedures set forth under Section 3 of the Offer, “Manner of Acceptance — Acceptance by Book-Entry Transfer”, such Suroco Shares will be credited to the depositing Suroco Shareholder’s Participant’s account maintained by CDS or DTC, as applicable. Certificates (and any other relevant documents) will be forwarded by first-class mail in the name of and to the address specified by the Suroco Shareholder in the Letter of Transmittal or, if such name or address is not so specified, in such name and to such address as shown on the share register maintained by Suroco or its transfer agent, promptly after the termination of the Offer.

8. Withdrawal of Deposited Suroco Shares

Except as otherwise stated in this Section 8 or as otherwise required by applicable Laws, all deposits of Suroco Shares pursuant to the Offer are irrevocable. Unless otherwise required or permitted by applicable Laws, any Suroco Shares deposited in acceptance of the Offer may be withdrawn by or on behalf of the depositing Suroco Shareholder:

- (a) at any time before the Deposited Shares have been taken up by the Offeror pursuant to the Offer;
- (b) if the Deposited Shares have not been paid for by the Offeror within three business days after having been taken up; or
- (c) at any time before the expiration of ten days from the date upon which either:
 - (i) a notice of change relating to a change that has occurred in the information contained in the Offer or the Circular, as amended from time to time, that would reasonably be expected to affect the decision of a Suroco Shareholder to accept or reject the Offer (other than a change that is not within the control of the Offeror or of an affiliate of the Offeror), in the event that such change occurs before the Expiry Time or after the Expiry Time but before the expiry of all rights of withdrawal in respect of the Offer; or
 - (ii) a notice of variation concerning a variation in the terms of the Offer (other than a variation consisting solely of an increase in the consideration offered for the Suroco Shares where the Expiry Time is not extended for more than ten days);

is mailed, delivered or otherwise properly communicated to the Information Agent and Depositary (subject to abridgement of that period pursuant to such order or orders or other forms of relief as may be granted by applicable courts or securities regulatory authorities) and only if such Deposited Shares have not been taken up by the Offeror in advance of the receipt of such communication by the Information Agent and Depositary.

Withdrawals of Deposited Shares must be effected by notice of withdrawal made by or on behalf of the depositing Suroco Shareholder in writing and must be actually received by the Information Agent and Depositary at the place of deposit before such Deposited Shares are taken up and paid for. Notice of withdrawal: (a) must be made by a method, including facsimile transmission, that provides the Information Agent and Depositary with a written or printed copy, (b) must be signed by or on behalf of the person who signed the Letter of Transmittal (or Notice of Guaranteed Delivery) accompanying the Deposited Shares that are to be withdrawn, (c) must specify such person's name, the number of Deposited Shares to be withdrawn, the name of the registered holder and the certificate number shown on each certificate representing the Deposited Shares to be withdrawn, and (d) must be actually received by the Information Agent and Depositary at the place of deposit of the applicable Deposited Shares (or Notice of Guaranteed Delivery in respect thereon). Any signature in a notice of withdrawal must be guaranteed by an Eligible Institution in the same manner as in a Letter of Transmittal (as described in the instructions and rules set out therein), except in the case of Suroco Shares deposited for the account of an Eligible Institution.

Alternatively, if Suroco Shares have been deposited pursuant to the procedures for book-entry transfer, as set out under Section 3 of the Offer, "Manner of Acceptance — Acceptance by Book-Entry Transfer", the Suroco Shareholder must contact their CDS or DTC participant and instruct them to withdraw the Suroco Shares in accordance with the CDS or DTC procedures to effect a withdrawal of a book-entry transfer.

All questions as to the validity (including, timely receipt) and form of notices of withdrawal will be determined by the Offeror in its sole discretion, and such determination will be final and binding. There will be no obligation on the Information Agent and Depositary, the Offeror or any other person to provide notice of any defect or irregularity in any notice of withdrawal and no such person will incur any liability for failure to give such notice.

Wherever the Offer calls for documents to be delivered by or on behalf of Suroco Shareholders to a particular office of the Information Agent and Depositary, those documents will not be considered delivered unless and until they have been physically received at the particular office at the address listed in the Letter of Transmittal or Notice of Guaranteed Delivery, as applicable. Withdrawals may not be rescinded and any Deposited Shares properly withdrawn will be deemed not validly deposited for the purposes of the Offer but may be re-deposited at

any subsequent time prior to the Expiry Time by following any of the procedures described in Section 3 of the Offer, “Manner of Acceptance”.

If the Offeror extends the period of time during which the Offer is open, is delayed in taking up or paying for Deposited Shares or is unable to take up or pay for Deposited Shares for any reason, then, without prejudice to the Offeror’s other rights, Deposited Shares may, subject to applicable Laws, be retained by the Information Agent and Depositary on behalf of the Offeror and such Deposited Shares may not be withdrawn except to the extent that depositing Suroco Shareholders are entitled to withdrawal rights as set forth in this Section 8 or pursuant to applicable Laws.

A withdrawal of Deposited Shares can only be accomplished in accordance with the foregoing procedures. The withdrawal will take effect only upon actual receipt by the Information Agent and Depositary of the properly completed and executed written notice of withdrawal or a withdrawal notice received from CDS or DTC.

Investment advisors, stockbrokers, banks, trust companies or other nominees may set deadlines for the withdrawal of Suroco Shares deposited under the Offer that are earlier than those specified above. Suroco Shareholders should contact their investment advisor, stockbroker, bank, trust company or other nominee for assistance.

In addition to the foregoing rights of withdrawal, Suroco Shareholders in certain provinces and territories of Canada are entitled to statutory rights of rescission or to damages, or both, in certain circumstances. See Section 19 of the Circular, “Statutory Rights”.

9. Notices and Delivery

Without limiting any other lawful means of giving notice, any notice to be given by the Offeror or the Information Agent and Depositary pursuant to the Offer will be deemed to have been properly given if it is mailed by first class mail, postage prepaid, to the registered Suroco Shareholders at their addresses as shown on the registers maintained by or on behalf of Suroco and will be deemed to have been received on the first business day following the date of mailing. For this purpose, “business day” means any business day other than a Saturday or Sunday or statutory holiday in the City of Calgary. These provisions apply notwithstanding any accidental omission to give notice to any one or more Suroco Shareholders and notwithstanding any interruption of mail service in any relevant jurisdiction following mailing. In the event of any interruption of mail service following mailing, the Offeror intends to make reasonable efforts to disseminate the notice by other means, such as publication.

Except as otherwise required or permitted by applicable Law, if post offices in Canada are not open for the deposit of mail, any notice that the Offeror or the Information Agent and Depositary may give or cause to be given to Suroco Shareholders under the Offer will be deemed to have been properly given and to have been received by Suroco Shareholders if (i) it is given to the TSXV for dissemination through their respective facilities, (ii) it is published once in the National Edition of The Globe and Mail, and in La Presse or Le Devoir in Québec or (iii) it is given to CNW Newswire service for dissemination through its facilities.

The Offer and Circular and Proxy Circular Supplement and accompanying Letter of Transmittal and Notice of Guaranteed Delivery will be mailed to registered Suroco Shareholders by first class mail, postage prepaid, or made available in such other manner as is permitted by applicable Laws and the Offeror will use its reasonable efforts to furnish such documents to investment advisors, stockbrokers, banks, trust companies, or the names of whose nominees, appear in the registers maintained by or on behalf of Suroco in respect of the Suroco Shares or, if security position listings are available, who are listed as participants in a clearing agency’s security position listing, for subsequent transmittal to the beneficial owners of Suroco Shares where such listings are received.

These Suroco Shareholder materials are being sent to both registered and non-registered owners of securities of Suroco. If you are a non-registered owner, and the Offeror or its agent has sent these materials directly

to you, the Offeror believes your name and address and information about your holdings of securities of Suroco have been obtained in accordance with applicable regulatory requirements from the nominee holding such securities on your behalf.

Wherever the Offer calls for documents to be delivered to the Information Agent and Depositary, such documents will not be considered delivered unless and until they have been physically received by the Information Agent and Depositary at its offices in Toronto, Ontario specified in the Letter of Transmittal or Notice of Guaranteed Delivery, as applicable. Wherever the Offer calls for documents to be delivered by or on behalf of Suroco Shareholders to a particular office of the Information Agent and Depositary, those documents will not be considered delivered unless and until they have been physically received at the particular office at the address listed in the Letter of Transmittal or Notice of Guaranteed Delivery, as applicable.

10. Changes in Capitalization, Dividends, Distributions and Liens

If, on or after the date of the Offer, Suroco should divide, combine, reclassify, consolidate, convert or otherwise change any of the Suroco Shares or its capitalization, issue any Suroco Shares, or issue, grant or sell any securities convertible into Suroco Shares, or disclose that it has taken or intends to take any such action, then the Offeror may, in its sole discretion and without prejudice to its rights under Section 4 of the Offer, “Conditions of the Offer”, make such adjustments as it considers appropriate to the purchase price and other terms of the Offer (including, the type of securities offered to be purchased and the amount payable therefor) to reflect such division, combination, reclassification, consolidation, conversion, issuance, grant, sale or other change. See Section 5 of the Offer, “Extension, Variation or Change of the Offer”.

Suroco Shares and any Distributions acquired under the Offer shall be transferred by the Suroco Shareholders and acquired by the Offeror free and clear of all liens, restrictions, charges, encumbrances, claims and equities and together with all rights and benefits arising therefrom, including, the right to any and all dividends, distributions, payments, securities, property, rights, assets or other interests that may be accrued, declared, paid, issued, distributed, made or transferred on or after the date of the Offer on or in respect of the Suroco Shares, whether or not separated from the Suroco Shares.

If, on or after the date of the Offer, Suroco should declare, set aside or pay any dividend or declare, make or pay any other distribution or payment on or declare, allot, reserve or issue any securities, rights or other interests with respect to any Suroco Shares, which is or are payable or distributable to Suroco Shareholders on a record date prior to the date of transfer into the name of the Offeror or its nominee or transferee on the securities register maintained by or on behalf of Suroco in respect of Suroco Shares accepted for purchase under the Offer, then (and without prejudice to the Offeror’s rights under Section 4 of the Offer, “Conditions of the Offer”) any such dividend, distribution or payment of securities, property, rights, assets or other interests will be received and held by the depositing Suroco Shareholder for the account of the Offeror and will be promptly remitted and transferred by the depositing Suroco Shareholder to the Information Agent and Depositary for the account of the Offeror, accompanied by appropriate documentation of transfer. Pending such remittance, the Offeror will be entitled to all rights and privileges as the owner of any such dividend, distribution or payment of securities, property, rights, assets or other interests and may withhold the entire purchase price payable by the Offeror under the Offer or deduct from the consideration payable by the Offeror under the Offer the amount or value thereof, as determined by the Offeror in its sole discretion.

The declaration or payment of any such dividend or distribution may have tax consequences not described in Section 17 of the Circular, “Principal Canadian Federal Income Tax Considerations”. Suroco Shareholders should consult their own tax advisors in respect of any such dividend or distribution.

11. Mail Service Interruption

Notwithstanding the provisions of the Offer and Circular and Proxy Circular Supplement, the Letter of Transmittal and the Notice of Guaranteed Delivery, certificates and any other relevant documents will not be mailed

if the Offeror determines that delivery thereof by mail may be delayed. Persons entitled to certificates or any other relevant documents that are not mailed for the foregoing reason may take delivery thereof at the office of the Information Agent and Depository to which the deposited certificates for Suroco Shares were delivered until such time as the Offeror has determined that delivery by mail will no longer be delayed. The Offeror will provide notice of any such determination not to mail made under this Section 11 as soon as reasonably practicable after the making of such determination and in accordance with Section 9 of the Offer, "Notices and Delivery". Notwithstanding Section 6 of the Offer, "Take-up of and Payment for Deposited Suroco Shares", certificates and any other relevant documents not mailed for the foregoing reason will be conclusively deemed to have been delivered on the first day upon which they are available for delivery to the depositing Suroco Shareholder at the appropriate office of the Information Agent and Depository.

12. Market Purchases and Sales of Suroco Shares

As of the date hereof, the Offeror does not intend to acquire, or make or enter into any agreement, commitment or understanding to acquire, beneficial ownership of any Suroco Shares, other than under the terms of the Offer. However, the intention of the Offeror to make purchases may change following the date of the Offer. In which case, and except as set forth below, the Offeror reserves the right to, and may, acquire or cause an affiliate to acquire beneficial ownership of Suroco Shares by making purchases through the facilities of the TSXV at any time, and from time to time, prior to the Expiry Time subject to and in accordance with applicable Laws. In no event will the Offeror make any such purchases of Suroco Shares through the facilities of the TSXV until the third business day following the date of the Offer. The aggregate number of Suroco Shares acquired in this manner will be 5% or less of the Suroco Shares outstanding on the date of the Offer and the Offeror will issue and file a press release containing the information prescribed by applicable Law immediately after the close of business of the TSXV on each day on which such Suroco Shares have been purchased.

Purchases pursuant to Section 2.2(3) of MI 62-104 or Section 2.1 of OSC Rule 62-504 shall be counted in any determination as to whether the condition that not less than 50.1% of the Suroco Shares be deposited under the Offer has been fulfilled.

Although the Offeror has no present intention to sell Suroco Shares taken up under the Offer, the Offeror reserves the right to make or enter into arrangements, commitments or understandings at or prior to the Expiry Time to sell any of such Suroco Shares after the Expiry Time, subject to applicable Laws and in compliance with Section 2.7(2) of MI 62-104 or Section 93.4(2) of the Securities Act (Ontario), as applicable.

For the purposes of this Section 12, the "Offeror" includes any person acting jointly or in concert with the Offeror.

13. Other Terms of the Offer

The Offeror reserves the right to transfer or assign, in whole or in part from time to time, to one or more of its entities, the right to purchase all or any portion of the Suroco Shares deposited pursuant to the Offer, but any such transfer or assignment will not relieve the Offeror of its obligations under the Offer and will in no way prejudice the rights of persons depositing Suroco Shares to receive prompt payment for Suroco Shares validly deposited and taken up pursuant to the Offer.

The Offer and all contracts resulting from acceptance of the Offer will be governed by and construed in accordance with the Laws of the Province of Alberta and the Laws of Canada applicable therein. Each party to an agreement resulting from the acceptance of the Offer unconditionally and irrevocably attorns to the exclusive jurisdiction of the courts of the Province of Alberta and the courts of appeal therefrom.

No broker, dealer or other person (including the Dealer Manager, any member of any soliciting dealer group formed by the Dealer Manager or the Information Agent and Depository) has been authorized to give any information or to make any representation or warranty on behalf of the Offeror or any of its

entities in connection with the Offer other than as contained in the Offer and Circular and Proxy Circular Supplement, Letter of Transmittal and Notice of Guaranteed Delivery and, if any such information, representation or warranty is given or made, it must not be relied upon as having been authorized.

The Offeror, in its sole discretion, shall determine all questions relating to the interpretation of the Offer and Circular and Proxy Circular Supplement, Letter of Transmittal and Notice of Guaranteed Delivery, the validity (including of receipt) of any acceptance of the Offer and any withdrawal of Suroco Shares, including, the satisfaction or non-satisfaction of any condition, and reserves the right to reject any and all deposits that the Offeror determines not to be in proper form or that may be unlawful to accept under the Laws of any applicable jurisdiction. The Offeror reserves the right to waive any defect in or irregularity in any deposit or notice of withdrawal with respect to any Suroco Share and the accompanying documents or any particular Suroco Shareholder or to permit the Offer to be accepted in any manner other than as set out in the Offer. There will be no duty or obligation on the Offeror, the Information Agent and Depositary or any other person to give notice of any defect or irregularity in any deposit or notice of withdrawal, and no liability will be incurred by any of them for failure to give any such notice.

The provisions of the Summary, Glossary, Circular, Proxy Circular Supplement, Letter of Transmittal and Notice of Guaranteed Delivery accompanying the Offer, including the rules and instructions contained therein, as applicable, are incorporated into and form part of the terms and conditions of the Offer.

Where the Offer provides that the time for the taking of any action, the doing of anything or the end of any period, expires or falls upon a day that is not a business day, the time shall be extended and action may be taken, the thing may be done or the period shall end as the case may be, on the next business day.

The Offer and the accompanying Circular together constitute the take-over bid circular required under Canadian provincial securities legislation with respect to the Offer. Suroco Shareholders are urged to refer to the accompanying Circular and Proxy Circular Supplement for additional information relating to the Offer.

In any jurisdiction in which the Offer is required to be made by a licensed broker or dealer, the Offer shall be made on behalf of the Offeror by brokers or dealers licensed under the Laws of such jurisdiction.

The Offer and Circular and Proxy Circular Supplement do not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from or on behalf of, Suroco Shareholders residing in any jurisdiction in which the making or the acceptance of the Offer would not be in compliance with the Laws of such jurisdiction. However, the Offeror may, in the Offeror's sole discretion, take such action as the Offeror may deem necessary to extend the Offer to, or solicit proxies from, Suroco Shareholders in any such jurisdiction.

The Offeror reserves the right to waive any defect in acceptance with respect to any particular Suroco Shares or any particular Suroco Shareholder. There shall be no duty or obligation of the Offeror, the Information Agent and Depositary, the Dealer Manager, a Soliciting Dealer or any other person to give notice of any defect or irregularity in the deposit of Suroco Shares or in any notice of withdrawal and, in each case, no liability shall be incurred or suffered by any of them for failure to give such notice.

Dated: June 9, 2014

VETRA ACQUISITION LTD.

(Signed) MARTIN DIAZ PLATA
President

(Signed) JOSE MIGUEL KNOELL
Chief Executive Officer

Time is of the essence. Send in your Suroco Shares with a completed YELLOW Letter of Transmittal to the Information Agent and Depositary or call your broker now to deposit. If you have already submitted a management form of proxy in connection with the Arrangement, revoke that proxy by completing and submitting the enclosed BLUE proxy to the Information Agent and Depositary, Kingsdale Shareholder Services, who can be contacted at 1-855-682-8087 toll free in North America or at 1-416-867-2272 outside of North America or by email at contactus@kingsdaleshareholder.com.

CIRCULAR

This Circular is furnished in connection with the accompanying Offer and Proxy Circular Supplement dated June 9, 2014 by the Offeror to purchase all of the issued and outstanding Suroco Shares, including Suroco Shares that may become outstanding on the exercise of Convertible Securities following the date hereof and prior to the Expiry Time. The terms and provisions of the Offer and Proxy Circular Supplement are incorporated into and form part of this Circular. Terms defined in the Offer, Proxy Circular Supplement and the Glossary and not otherwise defined in this Circular shall have the respective meanings given thereto in the Offer, Proxy Circular Supplement and the Glossary unless the context otherwise requires. All currency amounts expressed herein, unless otherwise indicated, are in Canadian dollars.

Except as otherwise indicated herein, the information concerning Suroco and Petroamerica contained in this Circular and Proxy Circular Supplement has been taken from or is based upon their respective public disclosure filed with the Canadian securities regulators and other public sources available as at May 29, 2014. Neither Suroco nor Petroamerica has reviewed the Offer and Circular and Proxy Circular Supplement and neither has confirmed the accuracy and completeness of the information in respect of Suroco and Petroamerica contained herein. Neither the Offeror nor any person acting jointly or in concert with the Offeror nor any of the directors or officers of the Offeror or such persons, assumes any responsibility for the accuracy or completeness of such information or any failure by Suroco or Petroamerica to disclose events or facts that may have occurred or that may affect the significance or accuracy of any such information but that are unknown to the Offeror or such persons. Except as otherwise indicated herein, the Offeror has no means of verifying the accuracy or completeness of any of the information contained herein that is derived from Suroco's or Petroamerica's public disclosure or whether there has been any failure by Suroco or Petroamerica to disclose events or facts that may have occurred or may affect the significance or accuracy of any information.

1. The Offeror

The Offeror is Vetra Acquisition Ltd. (formerly 1743111 Alberta Ltd.), a wholly-owned subsidiary of VETRA Holding S.a.r.l., a holding company whose primary operating subsidiary is Vetra Exploración y Producción Colombia, S.A.S., a multinational company engaged in the business of exploration, extraction and production of hydrocarbons, primarily in Colombia and Peru.

2. Suroco

Suroco is focused on the identification and evaluation of opportunities for the acquisition of interests in oil and gas properties, corporations, assets or businesses, primarily in Colombia, and once identified and evaluated, negotiating acquisitions thereof or participation therein. Suroco is a public corporation that is listed on the TSXV under the symbol "SRN".

Suroco's registered office is at Suite 1600, 421 – 7th Avenue, S.W., Calgary, Alberta, T2P 4K9 and its principal business office is at Suite 810, 940 – 6th Avenue S.W., Calgary, Alberta, T2P 3T1 (telephone: 403-232-6784).

For further information regarding Suroco, refer to Suroco's filings with the Canadian securities regulatory authorities that may be obtained through the SEDAR website at www.sedar.com.

3. Background to the Offer

VETRA, through its subsidiaries, holds significant or majority interests in three out of four of Suroco's oil and gas exploration and production properties in Colombia and is the operator of the Surorient Block, which contains all of Suroco's reserves and is its only producing asset -- the Surorient Block, the Alea 1848-A Block and the Alea 1947-C Block. Suroco holds an indirect minority interest in such oil and gas exploration and production properties. In addition, one or more of VETRA's subsidiaries is the operator of each of the Surorient Block, the

Alea 1848-A Block and the Alea 1947-C Block. See Section 13 of the Circular, “Agreements, Commitments or Understandings”.

On December 5, 2013, VETRA delivered a letter to the Suroco Board of Directors expressing an interest in acquiring Suroco’s 15.8% working interest in the Suroriente Block in Colombia for \$47 million in cash. The letter stated that VETRA was prepared to complete the acquisition on an expedited basis and was open to discussions with Suroco to explore the proposal. The offer was not subject to any financing contingency. On December 11, 2013, Suroco delivered a letter to VETRA in response, declining to negotiate the proposal because Suroco believed that Suroco Shareholders would prefer a transaction involving the sale of entire company rather than only its principal cash-flowing asset and that the consideration offered was insufficient.

Having considered Suroco’s response, on March 25, 2014, VETRA delivered another letter to the Suroco Board of Directors setting forth an offer to purchase all of the outstanding Suroco Shares for a purchase price, on an enterprise value basis, of \$US52.5 million in cash on an accelerated timetable. The offer proposed a 30-day exclusivity period and was subject only to confirmatory due diligence and the negotiation of definitive documents. The offer was not subject to any financing contingency.

In response to the March 25 letter, preliminary discussions were held with Suroco, its financial advisor and FirstEnergy Capital Corp. However, Suroco claimed that they were not comfortable with the enterprise value basis upon which VETRA had valued Suroco in the March 25 letter. In response, VETRA sought to convert its initial valuation to a per share price, however Suroco indicated they were not willing to transact with VETRA based on the value that had been ascribed to Suroco at the time. In the context of the discussions, drafts of a confidentiality agreement were provided, however the parties did not to execute confidentiality agreements at that time.

On April 4, 2014, VETRA was advised that Suroco did not intend to proceed with negotiations with VETRA surrounding a transaction.

On April 26, 2014, having knowledge that VETRA had a strong interest in acquiring Suroco, and without enquiring if VETRA was prepared to consider an enhanced offer for Suroco, Suroco entered into the Arrangement, pursuant to which Petroamerica would acquire all of the issued and outstanding Suroco Shares for a purchase price of 1.7627 common shares of Petroamerica for each Suroco Share.

VETRA was unaware that Suroco was in discussions with Petroamerica, but after learning of the Arrangement, it believed it could provide greater value to Suroco Shareholders. Therefore, on May 20, 2014, VETRA delivered a formal letter to the Suroco Board of Directors setting forth an all cash offer to purchase all of the outstanding Suroco Shares for \$0.55 per Suroco Share. The letter outlined the benefits to Suroco Shareholders of such a transaction, including that it constituted a superior proposal for purposes of the Arrangement Agreement. The letter confirmed that VETRA was prepared to move forward expeditiously to close the transaction as soon as practicable with no financing condition and enter into a definitive agreement on terms substantially similar to the terms set forth in the Arrangement Agreement. The proposal sent to Suroco was sufficiently detailed and actionable; however, on May 23, 2014, Suroco, through its financial advisors, declined the proposal.

Based on the fact that VETRA’s proposal was for all cash consideration that represented a premium to then-current trading price of the Suroco Shares and a 5.8% premium to the Arrangement based on the then-current trading price of Petroamerica’s common shares, VETRA decided to bring its proposal directly to Suroco Shareholders by way of the Offer.

4. Reasons to Accept the Offer

Suroco Shareholders should consider the following reasons in making a decision to accept the Offer:

Significant Premium: The Offer is \$0.60 per Suroco Share. The Offer provides Suroco Shareholders with enhanced value and price certainty compared to Petroamerica's all-share offer, which exposes Suroco Shareholders to price volatility and illiquidity. The Offer represents a premium of:

- 86% to the trading price of Suroco Shares prior to announcement of the Arrangement based on the 20 day VWAP.
- 11% to Petroamerica's all-share offer based on the VWAP since announcement of the Arrangement.

Cash Consideration and Certainty of Value: The Offer provides Suroco Shareholders with immediate cash and with certainty of value, allowing Suroco Shareholders to de-risk their current investment and realize value for Suroco's assets in excess of the value currently being ascribed to those assets by the stock market and at a price higher than the Suroco Shares have traded at any time since September, 2011. Petroamerica's all-share offer imposes illiquidity and price uncertainty to Suroco Shareholders:

- Petroamerica common shares are highly illiquid. Based on the average daily volume of Petroamerica common shares for the one year prior to announcement of the Arrangement, it would take Suroco Shareholders over 150 trading days to sell all Petroamerica common shares received pursuant to the Arrangement (equivalent to over seven calendar months).
- Petroamerica's common share price is highly volatile. Over the last twelve months, Petroamerica common shares have traded as low as \$0.205, which implies a value of \$0.36 per Suroco Share based on the exchange ratio of 1.7627 Petroamerica common shares per Suroco Share.

The Arrangement Exposes Suroco Shareholders to Significant Ongoing Risks:

- Petroamerica and Suroco are non-operating minority partners in each of their respective primary assets and have limited operational control and authority over pace of development, capital spending and ultimate outcome of investment activities. While Petroamerica has indicated its intention to seek operator status, the expected timeline is lengthy and there can be no assurance that it will be successful.
- Petroamerica's and Suroco's respective exploration and business development activities have not yielded value creation for their shareholders outside of their non-operated assets, yet further value creation for Suroco Shareholders is dependent on the pro forma team's ability to successfully execute on untested exploration concepts.
- Both Petroamerica and Suroco continue to make significant financial commitments, including expensive promoted farm-in transactions and royalty payments on non-operated exploration assets in an attempt to stem high expected natural production declines.
- If combined, Petroamerica and Suroco would have a dispersed asset base focused exclusively in different locations of Colombia. Neither operating cost nor overhead savings have been outlined as part of the proposed Arrangement and therefore, there are minimal synergies that would accrue to the benefit of Suroco Shareholders.
- Petroamerica's principal producing asset, the Las Maracas field, recently transitioned to a significantly higher royalty rate of over 30% (compared to 8% initially) due to its cumulative production, and according to Petroamerica management estimates, is expected to start production declines in the second half of 2014.

- Based on research analyst consensus forecasts, Petroamerica's cash flow per common share including the acquisition of Suroco, is forecast to decline from \$0.18 in 2013 to \$0.13 in 2014 (a decline of 29%) and to \$0.11 in 2015 (total decline of 39%).
- Petroamerica's reserve base also reflects a lack of sustainability, as Petroamerica failed to replace production in the 2013 calendar year and proved and proved plus probable reserves declined 3% and 4%, respectively, while proved plus probable reserve life index stands at only 2.1 years. In addition, Petroamerica's production is highly concentrated and susceptible to being taken offline through operational problems, community issues or worker strikes, which are common in Colombia. As at December 31, 2013, all of Petroamerica's oil production was from only 10 gross (4.70 net) wells.
- Despite contributing a significant portion of pro forma assets upon completion of the proposed Arrangement, Suroco Shareholders will only be represented by one additional director on the Petroamerica board of directors, with that person to be agreed upon by both Suroco and Petroamerica.

Petroamerica and Suroco Pro Forma Lack Financial Capacity: Petroamerica and Suroco, on a pro forma basis, do not have the required funding to adequately develop the existing asset base or execute a significant exploration program:

- Petroamerica and Suroco require substantial capital to develop their asset bases. Debt and equity capital markets remain very challenging for small cap companies focused on international energy projects. Future financing is likely to be on terms that are highly dilutive for Suroco Shareholders.
- For financing to date, both Suroco and Petroamerica have relied significantly on high cost term debt financing (rather than lower cost, more flexible revolving facilities) that has often included warrant issuances, and also on equity financing and other instruments dilutive to equity holders.
- Equity market valuations tend to be lower for non-operated producers. The Arrangement exacerbates this issue by combining Suroco's non-operated assets with Petroamerica's non-operated assets.
- The Information Circular states that Petroamerica is expected to have a pro forma cash balance of \$62 million after giving effect to the Arrangement. Since the date of the Arrangement Agreement, both Suroco and Petroamerica have added additional non-operated exploration capital commitments totalling up to \$22 million.
- Petroamerica has \$35 million of 11.5% notes outstanding that mature on April 19, 2015, which will need to be repaid. In addition, the notes had 3.5 million Petroamerica common share purchase warrants attached that are exercisable at \$0.20 per common share and will cause further dilution to Petroamerica and Suroco Shareholders.
- The Surorient Association Contract that outlines Suroco's interest in the Surorient field terminates in 2024 with the asset reverting back to Ecopetrol. Underinvestment in the asset may lead to a reduction in reserves and destruction of value for Suroco Shareholders.

The Suroco Board of Directors Presented Shareholders with a Single Alternative Without Pursuing Competing Proposals:

- Suroco has refused to engage in meaningful discussions with VETRA around offers that were competitive and compelling.
- The Suroco Board of Directors approved the transaction with Petroamerica and agreed to a termination fee of \$4 million payable to Petroamerica in the event of, among other things, Suroco pursuing a superior proposal; the termination fee represents 5.2% of Suroco's market capitalization under the Arrangement, which is significantly above market precedent and represents value that could have accrued to Suroco Shareholders from alternative proposals.
- The Suroco Board of Directors refused to engage with VETRA on the basis of its proposal to acquire Suroco for \$0.55 in cash per Suroco Share, despite representing a premium of 5.8% to the Arrangement at the time and a 70% premium to the trading price of Suroco Shares prior to announcement of the Arrangement based on the 20 day VWAP and despite the preference of shareholders of the certainty of a cash offer over a highly speculative share for share exchange.

Suroco's Board of Directors Irresponsibly Disregards the Rights of the Minority:

- Not only has Suroco refused to pursue value enhancing bids for the company, it has taken steps to dilute the voting rights of the minority in connection with the Arrangement.
- Suroco has applied to the TSXV and securities authorities for exemptive relief to allow Alentar to vote with the minority. The securities legislation from which Suroco seeks relief has been adopted to protect the rights of minority shareholders. Alentar has entered into a number of transactions concurrently with the Arrangement and will benefit if the Arrangement proceeds. Alentar's interest is clearly not aligned with the interest of the minority.

5. Purpose of the Offer and the Offeror's Plans for Suroco

Purpose of the Offer

The purpose of the Offer is to enable the Offeror to acquire, on the terms and subject to the conditions of the Offer, all of the issued and outstanding Suroco Shares, including Suroco Shares that may become outstanding on the exercise, exchange or conversion of Convertible Securities after the date of the Offer and prior to the Expiry Time. The effect of the Offer is to give to Suroco Shareholders the opportunity to receive \$0.60 in cash for each Suroco Share deposited to the Offer, representing a premium of approximately 86% to the trading price of Suroco Shares prior to announcement of the Arrangement with Petroamerica based on the 20 day VWAP and an 11% premium to Petroamerica's all-share offer based on the VWAP since announcement of the Arrangement.

If the conditions of the Offer are satisfied or waived by the Offeror and the Offeror takes up and pays for the Suroco Shares validly deposited under the Offer and not properly withdrawn, the Offeror intends to acquire any Suroco Shares not deposited under the Offer through a Compulsory Acquisition, if available, or to propose a Subsequent Acquisition Transaction, in each case for consideration per Suroco Share equal in value to and in the same form as the consideration paid by the Offeror per Suroco Share under the Offer. The exact timing and details of any such transaction will depend upon a number of factors, including the number of Suroco Shares acquired pursuant to the Offer. Although the Offeror intends to pursue either a Compulsory Acquisition or a Subsequent Acquisition Transaction generally on the terms described herein, it is possible that, as a result of the number of Suroco Shares acquired under the Offer, delays in the Offeror's ability to effect such a transaction, information subsequently obtained by the Offeror, changes in general economic or market conditions or in the business of Suroco or other currently unforeseen circumstances, such a transaction may not be proposed, may be delayed or abandoned or may be proposed on different terms. Accordingly, the Offeror reserves the right not to pursue a Compulsory Acquisition or a Subsequent Acquisition Transaction, or to pursue a Subsequent Acquisition

Transaction on terms other than as described in the Circular. See Section 12 of the Circular, "Acquisition of Suroco Shares Not Deposited Under the Offer".

Plans for Suroco

If the Offer is successful, it is anticipated that the Suroco Board of Directors will be replaced by nominees of the Offeror. With the exception of the foregoing, the Offeror has not yet developed any specific proposals with respect to Suroco or its operations, or any changes in its assets, business strategies, management or personnel following the acquisition of the Suroco Shares pursuant to the Offer.

If permitted by applicable Law, subsequent to the completion of the Offer and a Compulsory Acquisition or any Subsequent Acquisition Transaction, if necessary, the Offeror intends to delist the Suroco Shares from the TSXV and to cause Suroco to cease to be a reporting issuer under the securities laws of each of the provinces and territories of Canada in which it has such status. See Section 16 of the Circular, "Effect of the Offer on the Market for and Listing of Suroco Shares and Status as a Reporting Issuer".

These plans are based on information currently available to the Offeror. Except as otherwise indicated herein, the Offeror has so far had an opportunity to review only Suroco's public disclosure filed with Canadian securities regulatory authorities. As a result, the foregoing plans for Suroco's business are of a general nature and may change if more information becomes available.

6. Source of Funds

The Offeror's obligation to purchase the Suroco Shares deposited under the Offer is not subject to any financing condition. Funding will come from existing cash resources of VETRA and new equity commitments from VETRA's existing equity holders.

7. Certain Information Concerning Securities of Suroco

Authorized and Outstanding Share Capital

Suroco is authorized to issue an unlimited number of Suroco Shares. Based on information contained in Suroco's management's discussion and analysis for the three months ended March 31, 2014, as at May 29, 2014, 134,329,734 Suroco Shares (152,809,734 Suroco Shares on a fully diluted basis) were issued and outstanding. As at May 26, 2014, the directors and executive officers of Suroco, as a group, beneficially owned, directly or indirectly, over 4,097,129 Suroco Shares or approximately 3.1% of the issued and outstanding Suroco Shares.

Suroco Shareholders are entitled to receive notice of and to attend and to cast one vote per Suroco Share at all meetings of Suroco Shareholders (other than meetings at which only the holders of shares of other classes are entitled to vote pursuant to the ABCA). Suroco Shareholders, subject to the prior rights, if any, of the holders of any other class of shares of Suroco, are entitled to receive, on a pro-rata basis, such dividends, if any, in any financial year as and when declared by the Suroco Board of Directors in its sole discretion from funds legally available therefor. In the event of the liquidation, dissolution or winding-up of Suroco, Suroco Shareholders are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of Suroco, on a pro-rata basis, the net assets of Suroco after payment of all debts and other liabilities.

Dividends

Based on Suroco's public disclosure, Suroco has not declared or paid any cash dividends on any of its issued shares in any of its three most recently completed financial years and has stated it has no present intention of doing so. However, Suroco has indicated that there are no restrictions that could prevent it from paying dividends.

Trading Price and Volume of Suroco Shares

On June 6, 2014, the last trading day prior to the public announcement of the Offer, the closing price of Suroco Shares on the TSXV was \$0.61.

The following tables set forth the reported intraday high and low daily trading prices and the aggregate volume of trading of the Suroco Shares on the TSXV during the periods indicated

Monthly Price Range and Trading Volumes:

<u>Period</u>	<u>Trading of Suroco Shares on TSXV</u>		
	<u>High</u>	<u>Low</u>	<u>Volume</u>
	(\$)	(\$)	(#)
June 2013.....	0.485	0.4	1,352,813
July 2013	0.46	0.335	1,517,706
August 2013.....	0.40	0.315	814,055
September 2013.....	0.40	0.325	522,935
October 2013	0.37	0.32	871,846
November 2013	0.365	0.31	725,762
December 2013.....	0.35	0.27	809,261
January 2014.....	0.345	0.22	814,288
February 2014.....	0.30	0.245	578,661
March 2014.....	0.32	0.24	2,113,049
April 2014.....	0.54	0.275	6,498,647
May 2014.....	0.55	0.47	8,446,157
June 2014 ⁽¹⁾	0.61	0.53	1,147,776

(1) Figures for June, 2014 represent the closing price range and trading volume of the Suroco Shares for June 1 to June 6, 2014 (inclusive) only.

Convertible Securities

The following information is based on information contained in the Information Circular and Suroco's management discussion and analysis for the three months ended March 31, 2014, as updated to reflect more current information made available by Suroco's public disclosure as of the date hereof with respect to the foregoing:

Performance Warrants

As at May 29, 2014, Performance Warrants were outstanding to acquire up to 6,000,000 Suroco Shares.

Suroco Options

As of May 29, 2014, Suroco Options were outstanding to acquire up to 8,480,000 Suroco Shares under the Suroco Option Plan, representing approximately 6.3% of the outstanding Suroco Shares. Each Suroco Option is exercisable into one Suroco Share.

Suroco Common Share Purchase Warrants

As of December 31, 2013, Suroco had 5,000,000 Suroco Common Share Purchase Warrants outstanding.

Suroco Contingent Value Rights

Pursuant to a purchase and sale agreement between Suroco and Alentar Holdings Inc. (“**Alentar**”) dated October 7, 2008, on March 31, 2009 Suroco issued to Alentar, as consideration for the purchase price, the right to acquire up to 4,000,000 Suroco Shares, exercisable upon receipt of a declaration of commerciality with respect to the purchased assets (the “**Suroco Contingent Value Rights**”). As at April 27, 2014, all such Suroco Contingent Value Rights remain outstanding.

8. Holdings of Securities of Suroco

To the knowledge of the Offeror, after reasonable enquiry, neither the Offeror, nor any director or officer of the Offeror (together, the “**Offeror Group**”), beneficially owns, directly or indirectly, or exercises control or direction over any Suroco Shares, Convertible Securities or any other securities of Suroco.

To the knowledge of the Offeror, after reasonable enquiry, no Suroco Shares, Convertible Securities or other securities of Suroco are beneficially owned, directly or indirectly, nor is control or direction exercised over any such securities, by any insider of the Offeror (together, the “**Extended Offeror Group**”) or any associate or affiliate of any insider of the Offeror, or any party acting jointly or in concert with the Offeror.

9. Trading in Securities of Suroco

During the six month period preceding the date of the Offer, no securities of Suroco have been traded by the Offeror, or, to the knowledge of the Offeror, after reasonable inquiry, by the Extended Offeror Group or any person acting jointly or in concert with the Offeror.

No person referred to under this Section 9 will receive any direct or indirect benefit from the consummation of the Offer or from accepting or refusing to accept the Offer, other than the consideration available to any Suroco Shareholder who participates in the Offer.

10. Commitments to Acquire Suroco Shares

Other than pursuant to the Offer, neither the Offeror Group or, to the knowledge of the Offeror, after reasonable inquiry, the Extended Offeror Group or any person acting jointly or in concert with the Offeror, has entered into any agreement, commitment or understanding to acquire any of the securities of Suroco.

11. Material Changes and Other Material Facts Concerning Suroco

Other than as set forth below, the Offeror has no information that indicates any material change in the affairs of Suroco since the date of the last published financial statements of Suroco other than as has been publicly disclosed by Suroco:

VETRA, through its subsidiaries, holds significant or majority interests in three out of four of Suroco's oil and gas exploration and production properties in Colombia and is the operator of the Surorient Block, which contains all of Suroco's reserves and is its only producing asset -- the Surorient Block, the Alea 1848-A Block and the Alea 1947-C Block. In addition, one or more of VETRA's subsidiaries is the operator of each of the Surorient Block, the Alea 1848-A Block and the Alea 1947-C Block. The constating documents and joint venture and operating agreements that govern their joint oil and gas exploration, development and production projects provide that significant operating and financing decisions require the approval of both parties.

VETRA's interest in each project is as follows:

- Through a joint venture, VETRA and Suroco together hold a 52% interest in the Surorient Block, which has a total area of approximately 36,528 hectares and is located in the southeast sector of the Putumayo Basin. The remaining 48% is owned by a third party. On a consolidated basis, VETRA holds 69.55% and Suroco holds 30.45% of their combined interest in the Surorient Block.
- VETRA and Suroco each hold a 50% interest in the Alea 1848-A Block, which has a total area of approximately 30,600 hectares and it is located northwest of the Surorient Block.
- On a consolidated basis, directly and through one of their joint ventures, VETRA holds a 50.46% interest and Suroco holds a 49.54% interest in the Alea 1947-C Block, which has a total area of approximately 23,500 hectares and is located northeast of the Surorient Block.

Recent events relating to the above oil and gas exploration, development and production projects that have been disclosed to Suroco, but have not been publicly disclosed by Suroco as of the date hereof, include the following:

- The Colombian environmental authority has approved an amendment and modification to the environmental license for the Surorient Block, pursuant to Resolution 0551 dated May 30, 2014, issued by the Autoridad Nacional de Licencias Ambientales. Such approval may be appealed within a 10-day period after all parties involved in the modification process have been duly notified. The amendment and modification to the environmental license will allow for the continued development of the Surorient Block through additional cluster drilling and associated infrastructure development.
- On September 7, 2010, Suroco announced the sale of its 50% interest in the Arjona Block in Colombia, which Suroco considered to be a non-core asset, for US\$1.2 million in cash. VETRA holds the remaining 50% interest in the Arjona Block. Pursuant to the terms upon which Suroco held an interest in the Arjona Block, the prior approval of another interest holder was required in order to effect any transfer. The approval has not been obtained and so Suroco remains liable for its commitments as an interest holder.
- Pursuant to an agreement between Suroco and VETRA entered into on March 31, 2014, Suroco owes VETRA US\$3,500,000 in respect of its share of the cost for the reconstruction of the Campo Alegre - El Tigre road, located in the Putumayo department.
- On June 5, 2014 logging of the Quinde-7 well, which was drilled within the Surorient Block during May and June 2014, was completed. Initial analysis of logging data indicates 22.1 ft of net vertical pay within the N-Sand as well as oil shows.

Other than as set forth herein, the Offeror has no knowledge of any material fact (as defined in the Securities Act) concerning securities of Suroco that has not been generally disclosed by Suroco or any other matter that has not previously been generally disclosed but that would reasonably be expected to affect the decision of Suroco Shareholders to accept or reject the Offer.

12. Acquisition of Suroco Shares Not Deposited Under the Offer

It is the Offeror's current intention that if it takes up and pays for Suroco Shares deposited under the Offer and, if feasible in accordance with the terms of the Suroco Shares and applicable Law, it will enter into one or more transactions to enable the Offeror or an affiliate of the Offeror to acquire all Suroco Shares not acquired under the Offer, such as a Compulsory Acquisition or a Subsequent Acquisition Transaction. There is no assurance that such a transaction will be completed and the Offeror expressly reserves the right not to propose a Compulsory Acquisition or a Subsequent Acquisition Transaction.

Compulsory Acquisition

If, within 120 days after the date of the Offer, the Offer has been accepted by Suroco Shareholders holding not less than 90% of the issued and outstanding Suroco Shares as at the Expiry Time, and the Offeror acquires such Suroco Shares, the Offeror intends, if permitted under the ABCA, to acquire the Suroco Shares not deposited under the Offer on the same terms as the Suroco Shares acquired under the Offer pursuant to the provisions of Part 16 of the ABCA (a "**Compulsory Acquisition**"). Holders of outstanding Convertible Securities must exercise, exchange or convert those securities into Suroco Shares before any payment for underlying Suroco Shares will be made.

To exercise their statutory right of Compulsory Acquisition, the Offeror must give notice (the "**Offeror's Notice**") to each Suroco Shareholder who did not accept the Offer (and each person who subsequently acquires any such Suroco Shares) (in each case, a "**Dissenting Offeree**") of such proposed acquisition within 60 days after the date of the termination of the Offer and in any event within 180 days from the date of the Offer. The Offeror's Notice shall state that (i) holders of more than 90% of the Suroco Shares have accepted the Offer, (ii) the Offeror is bound to take up and pay for or has taken up and paid for the Suroco Shares of holders who accepted the Offer, (iii) a Dissenting Offeree is required to elect to transfer its Suroco Shares to the Offeror on the terms on which the Offeror acquired the Suroco Shares of holders who accepted the Offer or to demand payment of the fair value of the Suroco Shares by so notifying the Offeror within 20 days after it receives the Offeror's Notice, (iv) a Dissenting Offeree that does not notify the Offeror of such election is deemed to have elected to transfer its Suroco Shares on the same terms on which the Offeror acquired the Suroco Shares of holders who accepted the Offer, and (v) a Dissenting Offeree must send its Suroco Shares to Suroco within 20 days after receiving the Offeror's Notice.

Within 20 days of giving the Offeror's Notice, the Offeror must pay or transfer to Suroco the consideration the Offeror would have had to pay or transfer to the Dissenting Offerees if they had elected to accept the Offer, to be held in trust for the Dissenting Offerees. Within 20 days after receipt of the Offeror's Notice, each Dissenting Offeree must send the certificates representing the Suroco Shares held by such Dissenting Offeree to Suroco and must elect to either demand payment of the fair value of such Suroco Shares held by such Dissenting Offeree or to transfer such Suroco Shares to the Offeror on the terms of the Offer. A Dissenting Offeree who does not, within 20 days after receiving the Offeror's Notice, notify the Offeror that the Dissenting Offeree is electing to demand payment of the fair value of the Dissenting Offeree's Suroco Shares is deemed to have elected to transfer such Suroco Shares to the Offeror on the same terms that the Offeror acquired Suroco Shares from holders of Suroco Shares who accepted the Offer. If a Dissenting Offeree has elected to demand payment of the fair value of such Suroco Shares, the Offeror may, within 20 days after paying or transferring to Suroco the consideration the Offeror would have had to pay or transfer to the Dissenting Offerees if they had elected to accept the Offer, apply to court to fix the fair value of such Suroco Shares of such Dissenting Offeree. If the Offeror fails to apply to such court within 20 days after they made the payment or transferred the consideration to Suroco, the Dissenting Offeree may then apply to the court within a further period of 20 days to have the court fix the fair value. If no such application is made by that Dissenting Offeree or the Offeror within such periods, the Dissenting Offeree will be deemed to have elected to transfer its Suroco Shares to the Offeror on the same terms on which the Offeror acquired Suroco Shares

from the Suroco Shareholders who accepted the Offer. Any judicial determination of the fair value of the Suroco Shares could be more or less than the amount paid per Suroco Share pursuant to the Offer.

The foregoing is a summary only of the right of Compulsory Acquisition that may become available to the Offeror and is qualified in its entirety by the provisions of Part 16 of the ABCA. The provisions of Part 16 of the ABCA are complex and may require strict adherence to notice and timing provisions, failing which such rights may be lost or altered. Suroco Shareholders should refer to Part 16 of the ABCA for the full text of the relevant statutory provisions, and those who wish to be better informed about the provisions of Part 16 of the ABCA should consult their legal advisors.

The income tax consequences to a Suroco Shareholder of a Compulsory Acquisition may differ from the income tax consequences to such Suroco Shareholder that deposits its Suroco Shares pursuant to the Offer.

See Section 17 of the Circular “Principal Canadian Federal Income Tax Considerations”.

Subsequent Acquisition Transaction

If the Offeror acquires less than 90% of the Suroco Shares under the Offer, or the right of Compulsory Acquisition described above is not available for any reason, or if the Offeror elects not to pursue such right, the Offeror currently intends, depending on the number of Suroco Shares taken up and paid for under the Offer, to pursue other means of acquiring, directly or indirectly, all of the outstanding Suroco Shares and other securities exercisable for or convertible or exchangeable into Suroco Shares in accordance with applicable Law, including, by way of example, by means of an arrangement, reclassification, consolidation, amalgamation, merger or other combination of Suroco with the Offeror or one or more of the Offeror’ entities, on such terms and conditions as the Offeror, at the time, believes to be appropriate (each, a “**Subsequent Acquisition Transaction**”). To effect such Subsequent Acquisition Transaction, the Offeror currently intends to cause a special meeting of Suroco Shareholders to be called to consider such a transaction. The detailed terms of any Subsequent Acquisition Transaction, including the timing of its implementation and the consideration to be received by the Suroco Shareholders, would necessarily be subject to a number of considerations, including the number of Suroco Shares acquired pursuant to the Offer. The Offeror’s current intention is that the consideration to be paid to Suroco Shareholders pursuant to any Subsequent Acquisition Transaction would be equal in amount to and in the same form as that payable under the Offer; however, it is possible that, as a result of the number of Suroco Shares acquired under the Offer, delays in the Offeror’ ability to effect such a transaction, information hereafter obtained by the Offeror with respect to Suroco or its business, changes in general economic, industry, regulatory or market conditions or in the business of Suroco, or other currently unforeseen circumstances, such a transaction may not be so proposed, or may be proposed on different terms or delayed or abandoned. The Offeror expressly reserves the right not to propose a Compulsory Acquisition or Subsequent Acquisition Transaction involving Suroco and reserves the right to propose other means of acquiring, directly or indirectly, all of the issued and outstanding Suroco Shares in accordance with applicable Laws, including a Subsequent Acquisition Transaction on terms not described in the Circular.

If a Subsequent Acquisition Transaction were to be consummated, Suroco Shareholders may, under the ABCA, have the right to dissent and demand payment of the fair value of their Suroco Shares. This right, if the statutory procedures are complied with, could lead to judicial determination of the fair value required to be paid to those dissenting holders for their Suroco Shares. The fair value of the Suroco Shares so determined could be more or less than the amount paid per security pursuant to the Subsequent Acquisition Transaction or the Offer. Any such judicial determination of the fair value of the Suroco Shares could be based upon considerations other than, or in addition to, the market price of the Suroco Shares.

Suroco Shareholders should consult their legal advisors for a determination of their legal rights with respect to any Subsequent Acquisition Transaction.

The income tax consequences to a Suroco Shareholder of a Subsequent Acquisition Transaction may differ from the income tax consequences to such Suroco Shareholder exchanging its Suroco Shares pursuant to the Offer. See Section 17 of the Circular, “Principal Canadian Federal Income Tax Considerations”.

Securities Law Requirements for Business Combinations

Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”) may deem a Subsequent Acquisition Transaction to be a “business combination” if such Subsequent Acquisition Transaction would result in the interest of a Suroco Shareholder being terminated without the consent of the holder, irrespective of the nature of the consideration provided in substitution therefor. The Offeror expects that any Subsequent Acquisition Transaction relating to Suroco Shares will be a “business combination” under MI 61-101. In certain circumstances, the provisions of MI 61-101 may also deem certain types of Subsequent Acquisition Transactions to be “related party transactions”. However, if the Subsequent Acquisition Transaction is a “business combination” carried out in accordance with MI 61-101 or an exemption therefrom, the “related party transaction” provisions therein do not apply to such transaction. The Offeror intends to carry out any such Subsequent Acquisition Transaction in accordance with MI 61-101, or any successor provisions, or exemptions therefrom, such that the “related party transaction” provisions of MI 61-101 would not apply to such Subsequent Acquisition Transaction.

MI 61-101 provides that, unless exempted, an issuer proposing to carry out a business combination is required to prepare a valuation of the affected securities (and any non-cash consideration being offered therefor) and provide to the holders of the affected securities a summary of such valuation. An exemption is available under MI 61-101 for certain business combinations completed within 120 days after the expiry of a formal take-over bid where the consideration that security holders would be entitled to receive under the business combination is at least equal in value to and is in the same form as the consideration that tendering security holders were entitled to receive in the take-over bid, provided that certain disclosure is given in the take-over bid disclosure documents (and which disclosure has been provided herein). The Offeror currently intends that the consideration offered per Suroco Share under any Subsequent Acquisition Transaction proposed by it would be the same consideration offered to the Suroco Shareholders under the Offer and that such Subsequent Acquisition Transaction will be completed no later than 120 days after the Expiry Date and, accordingly, the Offeror expects to rely on these exemptions.

Depending on the nature and terms of the Subsequent Acquisition Transaction, the provisions of the ABCA and Suroco’s constating documents may require the approval of 66% of the votes cast by holders of the issued and outstanding Suroco Shares at a meeting duly called and held for the purpose of approving the Subsequent Acquisition Transaction. MI 61-101 also requires that, in addition to any other required security holder approval, in order to complete a business combination, the approval of a simple majority of the votes cast by “minority” shareholders of each class of affected securities who are entitled to vote, as described below, must be obtained unless an exemption is available or discretionary relief is granted by applicable securities regulatory authorities. If, however, following the Offer, the Offeror and its affiliates beneficially own 90% or more of the Suroco Shares at the time the Subsequent Acquisition Transaction is agreed to, the requirement for minority approval under MI 61-101 would not apply to the transaction if an enforceable appraisal remedy to demand fair value or substantially equivalent right is made available to minority shareholders.

In relation to the Offer and any business combination, the “minority” shareholders entitled to vote will be, unless an exemption is available or discretionary relief is granted by applicable securities regulatory authorities, all Suroco Shareholders other than the Offeror, any “interested party” (within the meaning of MI 61-101), certain “related parties” of the Offeror or of any other “interested party” (in each case within the meaning of MI 61-101) and any “joint actor” (within the meaning of MI 61-101) with any of the foregoing persons. MI 61-101 also provides that the Offeror may treat Suroco Shares acquired under the Offer as “minority” shares and vote them, or consider them voted, in favour of such business combination if, among other things: (a) the business combination is completed no later than 120 days after the Expiry Date, (b) the consideration per security in the business combination is at least equal in value to and in the same form as the consideration paid under the Offer; (c) the Suroco Shareholder who deposited such Suroco Shares to the Offer was not (i) a “joint actor” (within the meaning of

MI 61-101) with the Offeror in respect of the Offer, (ii) a direct or indirect party to any “connected transaction” (within the meaning of MI 61-101) to the Offer, or (iii) entitled to receive, directly or indirectly, in connection with the Offer, a “collateral benefit” (within the meaning of MI 61-101) or consideration per Suroco Share that is not identical in amount and form to the entitlement of the general body of Suroco Shareholders in Canada; and (d) certain disclosure is provided in the take-over bid disclosure documents (which disclosure has been provided herein). The Offeror currently intends that the consideration offered per Suroco Share under any Subsequent Acquisition Transaction proposed by it would be the same consideration offered to the Suroco Shareholders under the Offer and that such Subsequent Acquisition Transaction will be completed no later than 120 days after the Expiry Date and all disclosure required in connection with any such Subsequent Acquisition Transaction has been provided in this Circular. The Offeror intends to cause Suroco Shares acquired under the Offer to be voted in favour of any such transaction and, where permitted by MI 61-101, to be counted as part of any minority approval required in connection with any such transaction.

Any such Subsequent Acquisition Transaction may also result in Suroco Shareholders having the right to dissent in respect thereof and demand payment of the fair value of their Suroco Shares. The exercise of such right of dissent, if certain procedures are complied with by the holder, could lead to a judicial determination of fair value required to be paid to such Dissenting Offeree for its Suroco Shares. The fair value so determined could be more or less than the amount paid per Suroco Share pursuant to such transaction or pursuant to the Offer. The exact terms and procedures of the rights of dissent available to Suroco Shareholders will depend on the structure of the Subsequent Acquisition Transaction and will be fully described in the proxy circular or other disclosure document provided to Shareholders in connection with the Subsequent Acquisition Transaction.

Whether or not a Subsequent Acquisition Transaction will be proposed, and the details of any such Subsequent Acquisition Transaction, including, without limitation, the timing of its implementation and the consideration to be received by the minority holders of Suroco Shares, will necessarily be subject to a number of considerations, including the number of Suroco Shares acquired pursuant to the Offer. Although the Offeror may propose a Compulsory Acquisition or a Subsequent Acquisition Transaction on the same terms as the Offer, it is possible that, as a result of the number of Suroco Shares acquired under the Offer, delays in the Offeror’s ability to effect such a transaction, information hereafter obtained by the Offeror, changes in general economic, industry, regulatory or market conditions or in the business of Suroco, or other currently unforeseen circumstances, such a transaction may not be so proposed or may be delayed or abandoned. The Offeror expressly reserves the right to propose other means of acquiring, directly or indirectly, all of the outstanding Suroco Shares in accordance with applicable Laws, including, without limitation, a Subsequent Acquisition Transaction on terms not described in the Circular.

Other Alternatives

If the Offeror is unable to, or determines at its option not to, effect a Compulsory Acquisition or propose a Subsequent Acquisition Transaction, or proposes a Subsequent Acquisition Transaction but cannot obtain any required approvals or exemptions promptly, the Offeror will evaluate its other alternatives. Such alternatives could include, to the extent permitted by applicable Laws, purchasing additional Suroco Shares in the open market, in privately negotiated transactions, in another take-over bid or exchange offer or otherwise, or from Suroco. Subject to applicable Laws, any additional purchases of Suroco Shares could be at a price greater than, equal to, or less than the price to be paid for Suroco Shares under the Offer and could be for cash, securities and/or other consideration. Alternatively, the Offeror may take no action to acquire additional Suroco Shares, or, subject to applicable Laws, may either sell or otherwise dispose of any or all Suroco Shares acquired under the Offer, on terms and at prices then determined by the Offeror, which may vary from the price paid for Suroco Shares under the Offer. See Section 12 of the Offer, “Market Purchases and Sales of Suroco Shares”.

The income tax consequences to a Suroco Shareholder of such alternatives may differ from the income tax consequences to such Suroco Shareholder of exchanging its Suroco Shares pursuant to the Offer. See Section 17 of the Circular, “Principal Canadian Federal Income Tax Considerations”.

Legal and Judicial Developments

On February 1, 2008, MI 61-101 came into force in the provinces of Ontario and Québec, introducing harmonized requirements for enhanced disclosure, independent valuations and majority of minority security holder approval for specified types of transactions. See “ – Securities Law Requirements for Business Combinations” above.

Certain judicial decisions may also be considered relevant to any business combination that may be proposed or effectuated subsequent to the expiry of the Offer. Prior to the adoption of MI 61-101 (or its predecessors), Canadian courts had, in a few instances, granted preliminary injunctions to prohibit transactions which involved certain business combinations. The trend both in legislation and in Canadian jurisprudence has been towards permitting business combinations to proceed subject to compliance with procedures designed to ensure substantive fairness to minority shareholders.

Since Suroco is not a reporting issuer in either of the provinces of Ontario or Québec, the provisions of MI 61-101 do not technically apply to any Subsequent Acquisition Transaction; however, the TSXV has adopted the provisions of MI 61-101 in their entirety. As the Suroco Shares are listed on the TSXV, the Offeror must comply with the provisions of MI 61-101 in relation to any Subsequent Acquisition Transaction or any other transaction involving Suroco.

Suroco Shareholders should consult their legal advisors for a determination of their legal rights with respect to any transaction which may constitute a business combination.

13. Agreements, Commitments or Understandings

Other than as set forth herein, there are no arrangements or agreements made or proposed to be made between the Offeror and Suroco or between the Offeror and any of the directors or officers of Suroco.

There are no contracts, arrangements or understandings, formal or informal, between the Offeror and any security holder of Suroco with respect to the Offer or between the Offeror and any person or company with respect to any securities of Suroco in relation to the Offer.

14. Benefits from the Offer

Other than the benefits that the Offeror expects to realize as a result of the combination of the Offeror’s business and operations with the business and operations of Suroco, no person referred to in Section 8 of the Circular, “Holdings of Securities of Suroco”, will receive any direct or indirect benefit from the consummation of the Offer, any Compulsory Acquisition or Subsequent Acquisition Transaction or from accepting or refusing to accept the Offer.

15. Regulatory Matters

Other than disclosed herein, to the knowledge of the Offeror, no authorization, consent or approval of, or filing with, any public body, court or authority is necessary on the part of the Offeror for the consummation of the transactions contemplated by the Offer, except for such authorizations, consents, approvals and filings as to which the failure to obtain or make would not, individually or in the aggregate, prevent or materially delay consummation of the transactions contemplated by the Offer. In the event that the Offeror becomes aware of other requirements, it will take reasonable commercial efforts to obtain such approval prior to the Expiry Time, as such time may be extended. In connection with the Offer, the Offeror may elect to seek authorization, consent or approval of, or file with, any public body, court or authority as the Offeror may deem necessary or appropriate. Any failure to obtain, or substantial delays in obtaining, such authorization, consent or approval from, or any failure to file, or substantial delays in filing with, such public body, court or authority could threaten the Offeror’s ability to complete the transaction.

The Information Circular discloses that Suroco has entered into a subordinated loan agreement dated May 6, 2014 (the “**Alentar Loan**”) with Alentar, a “related party” (as defined in MI 61-101) of Suroco because it has beneficial ownership of Suroco Shares carrying more than 10% of the voting rights attached to all outstanding Suroco Shares. As a result of the Alentar Loan, Suroco believes that Alentar may be a “related party” because the Alentar Loan and the Arrangement are “connected transactions” under MI 61-101. As an “interested party” Suroco is required to exclude the votes attached to the Suroco Shares beneficially owned by Alentar for the purpose of the minority approval for the Arrangement. Suroco has made an application to the TSXV and the applicable securities regulatory authorities to permit the votes attached to the Suroco Shares beneficially owned by Alentar to be voted for the purposes of determining minority approval for the Arrangement. The Offeror has made a submission to the TSXV and the applicable securities regulatory authorities requesting that Suroco’s application be denied and that MI 61-101 be strictly complied with and that the votes attached to Suroco Shares held by Alentar be excluded from any minority voting.

NI 51-102 provides an exemption from the requirement to deliver an information circular to each security holder of a reporting issuer in respect of a solicitation if the solicitation is either (a) made to the public by broadcast, speech or publication, or (b) made to 15 or fewer security holders of the reporting issuer, however, the ABCA does not permit such exemption to be relied upon. On June 9, 2014, VETRA and the Offeror received an order from the Alberta Securities Commission (the “**Order**”) for exemptive relief under the ABCA that permits VETRA and the Offeror to (a) communicate with Suroco Shareholders in advance of the Suroco Meeting by means of a public broadcast, speech or publication and (b) communicate with 15 or fewer Suroco Shareholders by means of a non-public solicitation in advance of the Suroco Meeting, prior to the mailing of this Offer and Circular and Proxy Circular Supplement to Suroco Shareholders.

16. Effect of the Offer on the Market for and Listing of Suroco Shares and Status as a Reporting Issuer

The purchase of Suroco Shares by the Offeror pursuant to the Offer will reduce the number of Suroco Shares that might otherwise trade publicly, as well as the number of Suroco Shareholders and, depending on the number of Suroco Shares acquired by the Offeror under the Offer, would likely adversely affect the liquidity and market value of the remaining Suroco Shares held by the public.

The rules and regulations of the TSXV establish certain criteria which, if not met, could upon successful completion of the Offer, lead to the delisting of the Suroco Shares from the TSXV. Among such criteria are the number of Suroco Shareholders, the number of Suroco Shares publicly held and the aggregate market value of the Suroco Shares publicly held. Depending on the number of Suroco Shares purchased under the Offer, it is possible that the Suroco Shares would fail to meet the criteria for continued listing. If this were to happen, the Suroco Shares could be delisted and this could, in turn, adversely affect the market or result in a lack of an established market for the Suroco Shares.

If permitted by applicable Law, subsequent to the completion of the Offer or any Compulsory Acquisition or Subsequent Acquisition Transaction, the Offeror intends to apply to delist the Suroco Shares from the TSXV.

After the purchase of the Suroco Shares under the Offer and any Compulsory Acquisition or Subsequent Acquisition Transaction, Suroco may cease to be subject to the public reporting and proxy solicitation requirements of the ABCA and securities Laws of the applicable provinces and territories of Canada. Furthermore, it may be possible for Suroco to request the elimination of the public reporting requirements of any jurisdiction where a small number of Suroco Shareholders reside.

If permitted by applicable Law, subsequent to the completion of the Offer and any Compulsory Acquisition or Subsequent Acquisition Transaction, the Offeror intends to cause Suroco to cease to be a reporting issuer or its equivalent under the securities laws of Canada.

17. Principal Canadian Federal Income Tax Considerations

In the opinion of Goodmans LLP, counsel to the Offeror, the following is a summary of the principal Canadian federal income tax considerations under the Tax Act, as of the date hereof, generally applicable to a Suroco Shareholder who, for purposes of the Tax Act, holds Suroco Shares as capital property, deals at arm's length with, and is not affiliated with, Suroco or the Offeror, and who disposes of Suroco Shares to the Offeror pursuant to the Offer or otherwise disposes of Suroco Shares pursuant to certain transactions described in Section 12 of the Circular, "Acquisition of Suroco Shares Not Deposited Under the Offer".

Suroco Shares generally will be considered capital property to a Suroco Shareholder for purposes of the Tax Act unless the Suroco Shareholder holds such shares in the course of carrying on a business of buying and selling securities or the Suroco Shareholder has acquired or holds them in a transaction or transactions considered to be an adventure or concern in the nature of trade.

This summary is based on the current provisions of the Tax Act in force as of the date hereof and counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency ("CRA") publicly available prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "Tax Proposals") and assumes that the Tax Proposals will be enacted in the form proposed. No assurance can be given that the Tax Proposals will be enacted in the form proposed, or at all. This summary does not otherwise take into account or anticipate any other changes in law, whether by judicial, governmental or legislative decision or action or changes in the administrative policies or assessing practices of the CRA, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may differ materially from those described in this summary.

This summary is not applicable to persons holding Suroco Options, Performance Warrants or other Convertible Securities, or persons who acquired Suroco Shares on the exercise of Suroco Options. In addition, this summary does not apply to: (i) a Suroco Shareholder that is a "financial institution", for the purposes of the mark-to-market rules in the Tax Act, (ii) a Suroco Shareholder an interest in which is a "tax shelter investment", as defined in the Tax Act, (iii) a Suroco Shareholder that is a "specified financial institution", as defined in the Tax Act, (iv) a Suroco Shareholder that has made a "functional currency" election under section 261 of the Tax Act, or (v) a Suroco Shareholder that has, or will, enter into, with respect to the Suroco Shares, a "derivative forward agreement", as that term is defined in the Tax Act.

This summary is of a general nature only and is not, and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Suroco Shareholder. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, Suroco Shareholders should consult their own legal and tax advisors with respect to the tax consequences to them of having their Suroco Shares acquired based on their particular circumstances, including the application and effect of the income and other taxes of any country, province or other jurisdiction in which the Suroco Shareholders reside or carry on business.

Suroco Shareholders Resident in Canada

The following portion of the summary is applicable only to a Suroco Shareholder who, for purposes of the Tax Act and at all relevant times, is resident, or is deemed to be resident, in Canada (a "**Resident Suroco Shareholder**"). Certain Resident Suroco Shareholders whose Suroco Shares might not otherwise constitute capital property may be eligible to make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have their Suroco Shares, and every other "Canadian security" (as defined in the Tax Act) owned by such Resident Suroco Shareholder in the taxation year in which the election is made and in all subsequent taxation years, be deemed capital property. Resident Suroco Shareholders contemplating such an election should first consult their own tax advisors.

Sale of Suroco Shares Pursuant to the Offer

A Resident Suroco Shareholder who disposes of Suroco Shares pursuant to the Offer will be considered to have disposed of such Suroco Shares for proceeds of disposition equal to the Offer Price paid in exchange for such shares. The Resident Suroco Shareholder will realize a capital gain (or capital loss) to the extent that such proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to the Resident Suroco Shareholder of such Suroco Shares immediately before the disposition.

Taxation of Capital Gains and Losses

Generally, a Resident Suroco Shareholder will be required to include in computing its income for a taxation year one-half of the amount of any capital gain (a “**taxable capital gain**”) realized by it in that year. Such a Resident Suroco Shareholder will be required to deduct one-half of the amount of any capital loss (an “**allowable capital loss**”) realized by it in a taxation year from taxable capital gains realized by the Resident Suroco Shareholder in that year. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be carried back to any of the three preceding taxation years or carried forward to any subsequent taxation year and deducted against net taxable capital gains realized in such years, subject to and in accordance with the detailed rules contained in the Tax Act.

The amount of any capital loss realized on the disposition of a Suroco Share by a Resident Suroco Shareholder that is a corporation may, to the extent and under the circumstances specified by the Tax Act, be reduced by the amount of any dividends received or deemed to have been received by the corporation on such share (or on a share for which such share is substituted or exchanged). Similar rules may apply where shares are owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Resident Suroco Shareholders to which these rules may be relevant should consult their own advisors.

A Resident Suroco Shareholder that is throughout the year a “Canadian-controlled private corporation”, as defined in the Tax Act, may be liable to pay an additional refundable tax on certain investment income, including taxable capital gains, interest and certain dividends.

Disposition of Suroco Shares Pursuant to a Compulsory Acquisition

As discussed in Section 12 of the Circular, “Acquisition of Suroco Shares Not Deposited Under the Offer – Compulsory Acquisition”, the Offeror may, in certain circumstances, acquire or be required to acquire Suroco Shares not deposited pursuant to the Offer pursuant to a Compulsory Acquisition.

The income tax consequences to a Resident Suroco Shareholder of a disposition of Suroco Shares in such circumstances generally will be as described above (see “Shareholders Resident in Canada – Sale of Suroco Shares Pursuant to the Offer”). A Resident Suroco Shareholder who dissents in a Compulsory Acquisition and is entitled to receive the fair value of its Suroco Shares will be considered to have disposed of the Suroco Shares for proceeds of disposition equal to the amount fixed as such by the court (excluding the amount of any interest awarded by the court). As a result, such dissenting Resident Suroco Shareholder will realize a capital gain (or a capital loss) generally calculated in the same manner and with the tax consequences as described above under “—Sale of Suroco Shares Pursuant to the Offer”. Any interest awarded by a court to a dissenting Resident Suroco Shareholder will be included in computing such Resident Suroco Shareholder’s income for the purposes of the Tax Act.

Resident Suroco Shareholders should consult their own tax advisors with respect to the potential income tax consequences to them of having their Suroco Shares acquired pursuant to a Compulsory Acquisition.

Disposition of Suroco Shares Pursuant to a Subsequent Acquisition Transaction or Other Alternatives

As described in Section 12 of the Circular, “Acquisition of Suroco Shares Not Deposited Under the Offer – Subsequent Acquisition Transaction” and “Acquisition of Suroco Shares Not Deposited Under the Offer – Other Alternatives”, if the Offeror does not acquire all of the Suroco Shares pursuant to the Offer or by means of a

Compulsory Acquisition, the Offeror may propose other means of acquiring the remaining issued and outstanding Suroco Shares.

The income tax treatment of a Subsequent Acquisition Transaction or other alternative to a Resident Suroco Shareholder will depend upon the exact manner in which the alternative transaction is carried out and the consideration offered. It is not possible to comment as to the tax treatment of such an alternative transaction until the form of such transaction is determined. However, the income tax consequences of such an alternative transaction may differ from those arising on the disposition of Suroco Shares under the Offer and will depend on the particular form and circumstances of the transaction. Depending on the form of the alternative transaction, a Resident Shareholder may realize a capital gain (or loss) and/or be deemed to receive a dividend. No opinion is expressed herein as to the income tax consequences of any such alternative transaction to a Resident Suroco Shareholder.

Resident Suroco Shareholders should consult their own tax advisors with respect to the potential income tax consequences to them of having their Suroco Shares acquired pursuant to a Subsequent Acquisition Transaction or such other alternative.

Potential Delisting

As described in Section 16 of the Circular, "Effect of the Offer on the Market for and Listing of Suroco Shares and Status as a Reporting Issuer", the Suroco Shares may cease to be listed on the TSXV following the completion of the Offer or, as applicable, a Compulsory Acquisition or a Subsequent Acquisition Transaction.

Resident Suroco Shareholders who do not offer up their Suroco Shares pursuant to the Offer are cautioned that, if the Suroco Shares are no longer listed on a "designated stock exchange" (which currently includes the TSXV) and Suroco ceases to be a "public corporation" for purposes of the Tax Act, the Suroco Shares will not be qualified investments for tax-free savings accounts ("TFASAs") or trusts governed by registered retirement savings plans ("RRSPs"), registered retirement income funds ("RRIFs"), registered education savings plans, registered disability savings plans or deferred profit sharing plans. Resident Suroco Shareholders who hold Suroco Shares in such manner should consult their own tax advisors with respect to the potential income tax consequences to them in this regard.

Suroco Shareholders Not Resident in Canada

This part of the summary is generally applicable to a Suroco Shareholder who, at all relevant times, for purposes of the Tax Act and any applicable income tax treaty, is neither resident nor deemed to be resident in Canada, and does not use or hold, and is not deemed to use or hold, Suroco Shares in connection with carrying on a business in Canada (a "**Non-Resident Suroco Shareholder**"). This part of the summary is not applicable to Non-Resident Suroco Shareholders that are insurers carrying on an insurance business in Canada and elsewhere.

Sale of Suroco Shares Pursuant to the Offer

A Non-Resident Suroco Shareholder who disposes of Suroco Shares pursuant to the Offer will realize a capital gain or a capital loss computed in the manner described above under "Suroco Shareholders Resident in Canada – Sale of Suroco Shares Pursuant to the Offer". However, a Non-Resident Suroco Shareholder will not be subject to tax under the Tax Act on any capital gain realized on the disposition of Suroco Shares pursuant to the Offer, unless the Suroco Shares constitute "taxable Canadian property" (as defined in the Tax Act) to the Non-Resident Suroco Shareholder and the Suroco Shares are not "treaty protected property" (as defined in the Tax Act) of the Non-Resident Suroco Shareholder.

Generally, a Suroco Share will not be "taxable Canadian property" to a Non-Resident Suroco Shareholder at a particular time provided that such share is listed on a "designated stock exchange", as defined in the Tax Act, (which currently includes the TSXV) unless at any time during the 60-month period immediately preceding the disposition (i) the Non-Resident Suroco Shareholder, persons with whom the Non-Resident Suroco Shareholder did

not deal at arm's length, or the Non-Resident Suroco Shareholder together with all such persons, owned 25% or more of the issued shares of any class or series of shares of the capital stock of Suroco, and (ii) more than 50% of the fair market value of the Suroco Share was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, "Canadian resource properties", as defined in the Tax Act, "timber resource properties", as defined in the Tax Act, and options in respect of, or interests in, or for civil law rights in, any such properties (whether or not such property exists). Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, Suroco Shares may be deemed to be taxable Canadian property to the Non-Resident Suroco Shareholder. Non-Resident Suroco Shareholders whose Suroco Shares are or may constitute taxable Canadian property should consult their own tax advisors for advice having regard to their particular circumstances.

A Suroco Share will be treaty-protected property to a Non-Resident Suroco Shareholder if, under an applicable income tax convention between Canada and the country in which the Non-Resident Suroco Shareholder is resident, the Non-Resident Suroco Shareholder is exempt from tax under the Tax Act on the gain realized on the disposition of the Suroco Shares.

Disposition of Suroco Shares Pursuant to a Compulsory Acquisition

As discussed in Section 12 of the Circular, "Acquisition of Suroco Shares Not Deposited Under the Offer – Compulsory Acquisition", the Offeror may, in certain circumstances, acquire Suroco Shares not deposited pursuant to the Offer pursuant to a Compulsory Acquisition.

A Non-Resident Suroco Shareholder whose Suroco Shares do not constitute taxable Canadian property or treaty-protected property will not be subject to tax under the Tax Act in respect of any capital gain realized on the disposition of Suroco Shares by way of a Compulsory Acquisition. Whether a Suroco Share is considered to be taxable Canadian property at the time of a disposition by way of a Compulsory Acquisition generally will be determined as described above (see "Suroco Shareholders Not Resident in Canada – Sale of Suroco Shares Pursuant to the Offer") except that more stringent rules may be applied where the Suroco Shares cease to be listed on a designated stock exchange, as described below (see "Suroco Shareholders Not Resident in Canada – Potential Delisting").

The income tax consequences of a disposition of Suroco Shares by a Non-Resident Suroco Shareholder whose Suroco Shares are taxable Canadian property for purposes of the Tax Act generally will be as described above (see "Suroco Shareholders Not-Resident in Canada – Sale of Suroco Shares Pursuant to the Offer").

Generally, where interest awarded by a court is paid or credited to a Non-Resident Suroco Shareholder on the exercise of its dissent rights in connection with a Compulsory Acquisition, the Non-Resident Suroco Shareholder will not be subject to Canadian withholding tax on such interest under the Tax Act.

Non-Resident Suroco Shareholders should consult their own tax advisors with respect to the potential income tax consequences to them of having their Suroco Shares acquired pursuant to a Compulsory Acquisition.

Disposition of Suroco Shares Pursuant to a Subsequent Acquisition Transaction or Other Alternatives

As described in Section 12 of the Circular, "Acquisition of Suroco Shares Not Deposited Under the Offer – Subsequent Acquisition Transaction" and "Acquisition of Suroco Shares Not Deposited Under the Offer – Other Alternatives", if the Offeror does not acquire all of the Suroco Shares pursuant to the Offer or by means of a Compulsory Acquisition, the Offeror may propose other means of acquiring the remaining issued and outstanding Suroco Shares.

The income tax treatment to a Non-Resident Suroco Shareholder of a Subsequent Acquisition Transaction or other alternative will depend upon the exact manner in which the alternative transaction is carried out and the consideration offered. It is not possible to comment as to the tax treatment of such an alternative transaction until the form of such transaction is determined. However, the income tax consequences of such an alternative transaction

may differ from those arising on the disposition of Suroco Shares under the Offer and will depend on the particular form and circumstances of the transaction.

Depending on the form of the alternative transaction, a Non-Resident Shareholder may realize a capital gain (or loss) and/or be deemed to receive a dividend. Whether or not a Non-Resident Suroco Shareholder would be subject to tax under the Tax Act on any such capital gain generally would depend on whether the Suroco Shares are “taxable Canadian property” of the Non-Resident Suroco Shareholder for the purposes of the Tax Act at the time of the disposition and whether the Suroco Shares are treaty-protected property of the Non-Resident Suroco Shareholder for purposes of the Tax Act.

Dividends paid or credited or deemed to be paid or credited to a Non-Resident Suroco Shareholder will be subject to Canadian withholding tax at a rate of 25%, subject to any reduction pursuant to an applicable income tax treaty or convention. For example, under the Canada-United States Tax Convention (1980), as amended (the “**Convention**”), where dividends are paid to or derived by a Non-Resident Suroco Shareholder who is a U.S. resident for the purpose of, and who is entitled to the benefits in accordance with the provisions of, the Convention, the applicable rate of Canadian withholding tax generally is reduced to 15%.

Generally, where interest awarded by a court is paid or credited to a Non-Resident Suroco Shareholder in connection with a Subsequent Acquisition Transaction or other alternative transaction, the Non-Resident Suroco Shareholder will not be subject to Canadian withholding tax on such interest under the Tax Act.

No opinion is expressed herein as to the income tax consequences of any such alternative transaction to a Non-Resident Suroco Shareholder.

Non-Resident Suroco Shareholders should consult their own tax advisors with respect to the potential income tax consequences to them of having their Suroco Shares acquired pursuant to a Subsequent Acquisition Transaction or other alternative.

Potential Delisting

As described in Section 16 of the Circular, “Effect of the Offer on the Market for and Listing of Suroco Shares and Status as a Reporting Issuer”, the Suroco Shares may cease to be listed on the TSXV following the completion of the Offer and may not be listed on the TSXV at the time of their disposition pursuant to a Compulsory Acquisition or a Subsequent Acquisition Transaction or other alternative transaction.

Non-Resident Suroco Shareholders who do not dispose of their Suroco Shares pursuant to the Offer are cautioned that Suroco Shares that are not listed on a designated stock exchange at the time of their disposition will be considered taxable Canadian property of the Non-Resident Suroco Shareholder if, at any time within the 60-month period immediately preceding the disposition, more than 50% of the fair market value of the Suroco Shares was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, “Canadian resource properties”, as defined in the Tax Act, “timber resource properties”, as defined in the Tax Act, and options in respect of, or interests in, or for civil law rights in, any such properties (whether or not such property exists). Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, Suroco Shares may be deemed to be taxable Canadian property.

If the Suroco Shares are taxable Canadian property of the Non-Resident Suroco Shareholder at the time of their disposition, and are not treaty-protected property of the Non-Resident Suroco Shareholder for purposes of the Tax Act, the Non-Resident Suroco Shareholder may be subject to tax under the Tax Act in respect of any capital gain realized on a disposition other than pursuant to the Offer. Furthermore, if the Suroco Shares are not listed on a recognized stock exchange (which currently includes the TSXV) at the time of their disposition and are not treaty-protected property of the Non-Resident Suroco Shareholder for purposes of the Tax Act, the notification and withholding provisions of section 116 of the Tax Act will apply to the Non-Resident Suroco Shareholder with the result that, among other things, unless the Offeror has received a clearance certificate issued pursuant to section 116

of the Tax Act relating to the disposition of a Non-Resident Suroco Shareholder's Suroco Shares, the Offeror may deduct or withhold 25% from any payment made to the Non-Resident Suroco Shareholder and will remit such amount to the Receiver General of Canada on account of the Non-Resident Suroco Shareholder's liability for tax under the Tax Act.

Non-Resident Suroco Shareholders should consult their own tax advisors with respect to the potential tax consequences to them of not disposing of their Suroco Shares under the Offer and of any potential delisting of the Suroco Shares.

18. Accounting Treatment

The Offeror will account for the acquisition of Suroco Shares under the acquisition method of accounting for business combinations. In determining the acquirer for accounting purposes, Vetra Acquisition Ltd. (formerly 1743111 Alberta Ltd.) considered the factors required under IFRS 3, Business Combinations, and determined that the Offeror will be considered the acquirer of Suroco.

19. Statutory Rights

Securities legislation in the provinces and territories of Canada provides security holders of Suroco with, in addition to any other rights they may have at law, one or more rights of rescission, price revision or to damages, if there is a misrepresentation in a circular or a notice that is required to be delivered to those security holders. However, such rights must be exercised within prescribed time limits. Security holders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult with a lawyer.

20. Financial Advisor, Dealer Manager and Soliciting Dealer Group

The Offeror has retained FirstEnergy Capital Corp. to act as its financial advisor in connection with the Offer and to serve as the Dealer Manager for the Offer. FirstEnergy Capital Corp. will receive compensation for providing such financial advisory services. The Offeror will reimburse FirstEnergy Capital Corp. for its reasonable out of pocket expenses and has agreed to indemnify it against certain liabilities and expenses in connection with the Offer.

The Dealer Manager may form a soliciting dealer group comprised of members of The Investment Dealers Association of Canada and members of Canadian stock exchanges (a "**Soliciting Dealer Group**" each, a "**Soliciting Dealer**") to solicit acceptances of the Offer from persons resident in Canada. In that event, the Offeror will pay typical solicitation dealer fees in connection with the deposit of Suroco Shares to the Offer.

If the Dealer Manager forms a Soliciting Dealer Group, the Offeror has agreed to pay each Soliciting Dealer whose name appears in the appropriate space in the Letter of Transmittal accompanying a deposit of Suroco Shares a fee of \$0.005 for each Suroco Share deposited by or on behalf of a beneficial owner of Suroco Shares taken up by the Offeror pursuant to the Offer. The aggregate amount payable to a Soliciting Dealer with respect to any single beneficial owner will not be less than \$125 or more than \$1,500 per Soliciting Dealer whose name appears in the Letter of Transmittal, provided that a fee of \$125 shall only be paid in respect of any beneficial owner of Suroco Shares where the number of shares deposited is equal to or greater than 25,000 Suroco Shares. If the name of a Soliciting Dealer is not included in the Letter of Transmittal, the fee will be paid to the Dealer Manager. Where Suroco Shares deposited and registered in a single name are beneficially owned by more than one person, the \$125 minimum and \$1,500 maximum amounts shall be applied separately in respect of each beneficial owner, provided that such beneficial owner owns at least 25,000 Suroco Shares. The Offeror may require the Soliciting Dealers to furnish evidence of beneficial ownership satisfactory to the Offeror before payment of fees.

Please send any solicitation fees requests to the Information Agent and Depositary no later than 30 business days after the Expiry Time.

Suroco Shareholders will not be required to pay any fee or commission if they accept the Offer by depositing their Suroco Shares directly with the Information Agent and Depositary or if they make use of the services of a Soliciting Dealer to accept the Offer.

Except as set out in the Offer and Circular and Proxy Circular Supplement, the Offeror has not agreed to pay any fees or commission to any stockbroker, dealer or other person for soliciting deposits of Suroco Shares under the Offer; provided that the Offeror may make other arrangements with additional soliciting dealers, Dealer Manager or information agents, either within or outside of Canada for customary compensation during the Offer if it considers it appropriate to do so.

21. Information Agent and Depositary

The Offeror has retained Kingsdale Shareholder Services to act as Information Agent and Depositary for the Offer. The Information Agent and Depositary (i) will receive deposits of certificates representing Suroco Shares and accompanying Letters of Transmittal at the offices specified in the Letters of Transmittal, (ii) will receive Notices of Guaranteed Delivery at the offices specified in the Notices of Guaranteed Delivery, (iii) will be responsible for giving certain notices, if required, and disbursing payment for Suroco Shares purchased by the Offeror under the Offer, and (iv) will assist with Suroco Shareholder identification and communication in respect of the Offer. The Information Agent and Depositary will receive reasonable and customary compensation from the Offeror for its services in connection with its role as Information Agent and Depositary for the Offer, will be reimbursed for certain out-of-pocket expenses and will be indemnified against certain liabilities, including liabilities under applicable securities laws.

22. Legal Matters

Legal matters on behalf of the Offeror will be passed upon by Goodmans LLP, counsel to the Offeror. The opinion contained under Section 17 of the Circular, “Principal Canadian Federal Income Tax Considerations” has been provided by Goodmans LLP. The Offeror is also being advised in respect of certain matters concerning the Offer by Debevoise & Plimpton LLP, United States counsel to the Offeror.

23. Directors Approval

The contents of the Offer and Circular and Proxy Circular Supplement have been approved and the sending thereof to Suroco Shareholders has been authorized by the VETRA’s board of directors.

PROXY CIRCULAR SUPPLEMENT

This proxy circular supplement (the “**Proxy Circular Supplement**”), dated June 9, 2014, is being furnished in connection with the Suroco Meeting for the solicitation of proxies by and on behalf of the Offeror. **The enclosed BLUE proxies have been sent to Suroco Shareholders with this Proxy Circular Supplement as opposed to proxies solicited by management of Suroco.** In addition to the information below, reference is made to the Offer to and Circular that contain additional information that Suroco Shareholders may find relevant to the solicitation of proxies. Unless the context otherwise requires, terms used but not defined in this Proxy Circular Supplement have the respective meanings given to them in the accompanying Glossary.

This solicitation of proxies is **not** made by or on behalf of management of Suroco. Suroco has previously caused to be forwarded to Suroco Shareholders the Information Circular. The Offeror urges Suroco Shareholders to **discard** any proxy sent to them by or on behalf of Suroco or its management.

On June 9, 2014, VETRA and the Offeror received an order from the Alberta Securities Commission (the “**Order**”) for exemptive relief under the ABCA that permits VETRA and the Offeror to (a) communicate with Suroco Shareholders in advance of the Suroco Meeting by means of a public broadcast, speech or publication and (b) communicate with 15 or fewer Suroco Shareholders by means of a non-public solicitation in advance of the Suroco Meeting, prior to the mailing of this Offer and Circular and Proxy Circular Supplement to Suroco Shareholders. See Section 15 of the Circular, “Regulatory Matters”.

WE RECOMMEND THAT HOLDERS OF SUROCO SHARES VOTE AGAINST THE ARRANGEMENT RESOLUTION.

Reasons for Solicitation

As noted in the Information Circular, Suroco has called the Suroco Meeting to be held on June 25, 2014 for purposes of, among other things, considering the Arrangement Resolution in respect of the Arrangement as contemplated by the Arrangement Agreement.

This Proxy Circular Supplement has been prepared by the Offeror to solicit proxies to vote **AGAINST** the Arrangement. For the reasons set out under Sections 4 of the Circular, the Offeror believes that the Offer represents a superior alternative for Suroco Shareholders compared to the Arrangement. Accordingly, the Offeror recommends that Suroco Shareholders vote **AGAINST** the Arrangement Resolution and accept the Offer by following the instructions set out in the Offer and Circular and this Proxy Circular Supplement.

If you do not vote AGAINST the Arrangement Resolution and the Arrangement Resolution is approved, the conditions to the Offer will not be satisfied and you will NOT be able to accept the Offer. We strongly recommend that you vote AGAINST the Arrangement Resolution and accept our Offer.

Particulars of Matters to be Acted Upon

As set forth in the Information Circular, the only matters that are to be placed before the Suroco Meeting to the knowledge of the Offeror are those matters described in the Information Circular. Information concerning the particulars of such matters is identified in the Information Circular. As described in the Information Circular, the Arrangement Resolution requires the approval of (i) 66 $\frac{2}{3}$ % of the votes cast by Suroco Shareholders represented in person or by proxy at the Suroco Meeting, and (ii) a majority of the votes cast by Suroco Shareholders, excluding those votes cast by persons whose votes may not be included in determining minority approval of a business combination pursuant to MI 61-101, in order to be passed.

General Proxy Information

Proxies may be solicited by the Offeror by mail, telephone, fax or other electronic means and in person, as well as by newspaper or other media advertising, the cost of which will be borne by the Offeror.

In addition, the Offeror has engaged Kingsdale Shareholder Services as the Information Agent and Depositary to, among other things, solicit proxies and receive deposits of certificates representing Suroco Shares. The Information Agent and Depositary will receive reasonable and customary compensation from the Offeror for its services in connection with the Offer and solicitation of proxies, will be reimbursed for certain out-of-pocket expenses and will be indemnified against certain liabilities. The proxy solicitation fees charged are approximately \$50,000 in addition to any out of pocket expenses and per call fees. The Information Agent and Depositary can be contacted at 1-855-682-8087 toll-free in North America, or at 1-416-867-2272 outside of North America, or by e-mail at contactus@kingsdaleshareholder.com.

The costs incurred in the preparation and mailing of this Proxy Circular Supplement and the solicitation will be borne by the Offeror.

No person is authorized to give information or to make any representations other than those contained in this Proxy Circular Supplement and, if given or made, such information or representations must not be relied upon as having been authorized to be given or made.

Appointment and Revocation of Proxies

The persons named as proxyholders in the enclosed **BLUE** form of proxy are a director of Vetra Exploración y Producción Colombia, S.A.S. and two partners of the law firm that is Canadian legal counsel to the Offeror. **YOU MAY REVOKE A PROXY ALREADY GIVEN PURSUANT TO SUROCO MANAGEMENT'S SOLICITATION OF PROXIES BY COMPLETING AND DELIVERING THE ENCLOSED BLUE FORM OF PROXY.** A later dated form of proxy revokes any and all prior proxies given by you in connection with the Suroco Meeting.

If a Suroco Shareholder has already submitted a management form of proxy in connection with the Arrangement and:

- (a) if a Suroco Shareholder is a registered Suroco Shareholder, the Suroco Shareholder should revoke that proxy by:
 - (i) completing and submitting the enclosed **BLUE** proxy to the Information Agent and Depositary in the postage paid envelope in sufficient time to ensure that the votes associated with such Suroco Shares are received prior to 12:00 noon (Calgary time) on 12:00 Noon, June 20 2014;
 - (ii) depositing another acceptable form of document that is signed by the Suroco Shareholder (or by someone they have properly authorized to act on their behalf) that is deposited at the registered office of Suroco and indicates a vote **AGAINST** the Arrangement not later than the last business day preceding the day of the Suroco Meeting or any adjournment thereof, at which the proxy is to be used;
 - (iii) depositing another acceptable form of document that is signed by the Suroco Shareholder (or by someone they have properly authorized to act on their behalf) that indicates a vote **AGAINST** the Arrangement with the Chairman of the Suroco Meeting before the Suroco Meeting starts on the day of the Suroco Meeting or any adjournment thereof; or
 - (iv) following any other procedure that is permitted by law; or

- (b) if a Suroco Shareholder is a beneficial Suroco Shareholder, the Suroco Shareholder should revoke that proxy by contacting the Suroco Shareholder's investment advisor, stockbroker, bank, trust company, other nominee or intermediary through which the Suroco Shareholder holds its Suroco Shares follow their instructions regarding the revocation of proxies, and then follow their instructions to indicate a vote **AGAINST** the Arrangement.

If you are a registered Suroco Shareholder and you wish to vote in person at the meeting, do not complete or return the form of proxy. Questions and requests for assistance may be directed to the Information Agent and Depositary, whose contact details are provided on the back cover of this document. As noted above, you may also revoke a proxy already given pursuant to Suroco's management's solicitation of proxies by completing and delivering the accompanying **BLUE** form of proxy to the Information Agent and Depositary.

Holders of Suroco Shares should carefully complete and sign their proxies in accordance with the instructions contained in this Proxy Circular Supplement and on the enclosed **BLUE** form of proxy in order to ensure that their proxies can be used at the Suroco Meeting. Completed and executed proxies should be returned in accordance with the instructions on the enclosed **BLUE** form of proxy.

Delivery of Proxies and Proxy Cut-Off Time

To vote **AGAINST** the Arrangement:

- (a) if a Suroco Shareholder is a registered Shareholder able to vote on the Arrangement, the Suroco Shareholder should complete and submit the enclosed **BLUE** proxy to the Information Agent and Depositary in the postage paid envelope in sufficient time to ensure that the votes associated with such Suroco Shares are received prior to 12:00 Noon (Calgary time) on June 20, 2014 or if the Suroco Meeting is postponed or adjourned, no later three days (excluding Saturdays, Sundays and holidays) before any such adjournment or postponement of such meeting; or
- (b) if a Suroco Shareholder is a beneficial Suroco Shareholder able to vote on the Arrangement, the Suroco Shareholder should follow the instructions provided by the Suroco Shareholder's investment advisor, stockbroker, bank, trust company, other nominee or intermediary through which the Suroco Shareholder holds its Suroco Shares to indicate a vote **AGAINST** the Arrangement.

Questions and requests for assistance may be directed to the Information Agent and Depositary within North America toll-free at 1-855-682-8087 and outside of North America at 1-416-867-2272 (call collect), or by e-mail at contactus@kingsdaleshareholder.com.

Voting of Suroco Shares Represented by Proxy and Exercise of Discretion

Suroco Shares represented by the enclosed **BLUE** form of proxy will be voted for or against or withheld from voting, as applicable, in accordance with your instructions on any ballot that may be called for at the Suroco Meeting and where you specify a choice with respect to any matter to be acted upon, Suroco Shares that are subject to the proxy will be voted in accordance with your specification so made.

In the absence of such specification, Suroco Shares represented by the enclosed **BLUE** form of proxy will be voted **AGAINST** the Arrangement Resolution, as described in the Information Circular. The person appointed under the proxy is conferred with discretionary authority (which he/she will exercise in accordance with his/her best judgment) with respect to amendments or variations of those matters specified in the proxy and with respect to any other matters that may properly be brought before the Suroco Meeting. The Offeror is not currently aware of any such amendment, variation or other matter except as disclosed in the Information Circular.

Proxy Instructions

Interaction with Offer

Suroco Shareholders are advised that the completion and submission of an enclosed **BLUE** form of proxy (or voting instruction form, in the case of non-registered Suroco Shareholders as set out below) shall not constitute an acceptance of the Offer. Any Shareholder wishing to accept the Offer should consult Section 3 of the Offer, “**Manner of Acceptance**” and comply with the procedures for acceptance set out therein.

Registered Suroco Shareholders

If you are a registered holder of Suroco Shares (meaning your Suroco Shares are held by you directly and not by your investment advisor, stockbroker, bank, trust company or other nominee), you should follow the procedures set out in the enclosed **BLUE** form of proxy and as set out below. As a registered Suroco Shareholder, you likely received a form of proxy with the Information Circular and you received a second **BLUE** proxy form with this Proxy Circular Supplement. Even if you have already submitted the form of proxy that accompanied the Information Circular, you may submit the enclosed **BLUE** form of proxy enclosed with this Proxy Circular Supplement. Your later dated enclosed **BLUE** form of proxy will automatically revoke the proxy that you have previously submitted.

In order to vote **AGAINST** the Arrangement Resolution, Suroco Shareholders should complete the enclosed **BLUE** form of proxy enclosed by marking **AGAINST** with respect to the Arrangement Resolution. In order to ensure that your vote is returned prior to the deadline, the Offeror recommends that Shareholders return their proxy by fax.

A registered Suroco Shareholder has the right to appoint a person, who need not be a Suroco Shareholder, other than the persons named in the enclosed **BLUE form of proxy accompanying this Proxy Circular Supplement, as proxyholder to attend and act for and on behalf of such Suroco Shareholder at the Suroco Meeting and may exercise such right by striking out the names of the persons named in the enclosed **BLUE** form of proxy and inserting the name of the person to be appointed as proxyholder in the blank space provided on the enclosed **BLUE** form of proxy.**

Non-Registered Suroco Shareholders

Only registered holders of Suroco Shares, or the persons they appoint as their proxies, are permitted to attend and vote at the Suroco Meeting. However, in many cases, Suroco Shares beneficially owned by a holder (a “**Non-Registered Holder**”) are registered either:

- in the name of an intermediary that the Non-Registered Holder deals with in respect of the Suroco Shares. Intermediaries include banks, trust companies, securities dealers or brokers, and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or
- in the name of a depository such as CDS or DTC.

In accordance with Canadian securities Laws, Suroco will have distributed copies of the Information Circular to the depositories and intermediaries for onward distribution to Non-Registered Holders. The Offeror will do the same with this Proxy Circular Supplement, the enclosed **BLUE** form of proxy and any other related meeting materials unless a Non-Registered Holder has waived the right to receive them. Intermediaries are required to forward all meeting materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them.

Generally, Non-Registered Holders who have not waived the right to receive meeting materials will receive either a voting instruction form or, less frequently, a form of proxy. The purpose of these forms is to permit Non-Registered Holders to direct the voting of Suroco Shares they beneficially own. Non-Registered Holders should follow the procedures set out below, depending on which type of form they receive.

- *Voting Instruction Form.* In most cases, a Non-Registered Holders will receive, as part of the meeting materials, a voting instruction form that must be completed and signed by the Non-Registered Holders in accordance with the directions on the voting instruction form (where permissible in accordance with the instructions indicated, it is recommended you vote by internet, telephone or submit the signed and dated voting instruction form by fax).
- *Form of Proxy.* Less frequently, a Non-Registered Holder will receive, as part of the meeting materials, a **BLUE** form of proxy that has already been signed by the intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Suroco Shares beneficially owned by the Non-Registered Holders but which is otherwise uncompleted. In this case, the Non-Registered Holders who wishes to submit such proxy should properly complete the proxy and submit it as specified, to the location indicated on the proxy.

Should a Non-Registered Holder wish to attend and vote at the Suroco Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons named in the proxy received from the intermediary and insert the Non-Registered Holder or such other person's name in the blank space provided or, in the case of a voting information form, follow the corresponding instructions on the form. In any case, Non-Registered Holders should carefully follow the instructions of their intermediary, including those regarding when and where the proxy (or voting information form) is to be delivered.

A Non-Registered Holder may revoke a proxy or voting instruction form which has been given to an intermediary by written notice to the intermediary. In order to ensure that an intermediary acts upon a revocation of a proxy or voting instruction form, the written notice should be received by the intermediary well in advance of the Suroco Meeting.

Voting Securities and Principal Holders Thereof

According to the Information Circular, as of May 27, 2014, 134,329,734 Suroco Shares were issued and outstanding. Each Suroco Shareholder is entitled to one vote for each Suroco Share registered in his or her name as of the close of business on May 20, 2014, the record date for the Suroco Meeting.

As of the date of this Proxy Circular Supplement, to the knowledge of the Offeror, no person beneficially owns, directly or indirectly, or exercises control or direction over, Suroco Shares carrying more than 10% of the voting rights attached to all issued and outstanding Suroco Shares, other than Alentar, which, as indicated in the Information Circular, beneficially owned 21,658,889 (or 16.1% of the issued and outstanding) Suroco Shares as of May 26, 2014.

Interest of the Offeror in Matters to be Acted Upon

Except as described elsewhere in the Offer and Circular and Proxy Circular Supplement, none of the Offeror or any of its associates or affiliates has any material interest in any matter to be acted upon at the Suroco Meeting other than the Arrangement Resolution. The Offeror has made the Offer to Suroco Shareholders as further described in the Offer and Circular. Except as described in the Offer and Circular, neither the Offeror nor any of its affiliates currently own any Suroco Shares. Except as set out in the Offer and Circular, to the knowledge of the Offeror, after reasonable inquiry, no Suroco Shares, Warrants or Suroco Options are beneficially owned, nor is control or direction exercised over any of such securities, by any associate or affiliate of an insider of the Offeror, any insider of the Offeror, or any person acting jointly or in concert with the Offeror.

Interest in Transactions

Except as described in the Offer and Circular, none of the Offeror or any of its directors or officers, or any associate or affiliate of any such persons, has had any material interest, direct or indirect, in any transaction since the

beginning of Suroco's last completed financial year or in any proposed transaction (excluding the Offer) that has materially affected or will materially affect Suroco or any of its affiliates.

Except as described in the Offer and Circular, none of the Offeror or any of its directors or officers, or any associate or affiliate of any such persons, has any contract, arrangement or understanding with another person with respect to future employment by Suroco or any of its affiliates, or future transactions to which Suroco or any of its affiliates will or may be a party.

Information Concerning the Arrangement

Except as described in the Offer and Circular, information regarding: (a) the indebtedness of directors and executive officers of Suroco; (b) the interest of informed persons of Suroco (as defined in NI 51-102) in any transaction since the commencement of Suroco's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect Suroco or any of its subsidiaries; and (c) any agreements or arrangements under which the management functions of Suroco or any subsidiary are to any substantial degree performed other than by the directors or executive officers of Suroco or subsidiary, is not known to the Offeror and is not reasonably within the power of the Offeror to obtain. Additional information regarding such matters, and regarding Suroco and the Suroco Meeting, is contained in the Information Circular and the notice of meeting prepared by Suroco in connection with the Suroco Meeting. The Offeror hereby expressly disclaims responsibility for the accuracy or completeness of any information contained in the Information Circular or any information set forth in this Proxy Circular Supplement stated to be derived from the Information Circular or based upon information contained therein.

Previous Dissident Activity

None of the Offeror or any of its officers and directors have been a "dissident" (as defined in the ABCA) within the previous ten years.

Additional Information

Additional information in respect of the Suroco Meeting and Suroco is contained in the Information Circular. Additional information concerning Suroco, including Suroco's comparative financial statements and management's discussion and analysis of such financial statements for its most recently completed financial year and quarter, is also available for review on SEDAR at www.sedar.com.

CONSENT OF GOODMAN'S LLP

TO: The Board of Directors of Vetra Acquisition Ltd.:

We hereby consent to the references to our name contained under the heading "Legal Matters" and to our opinions contained under Section 17, "Principal Canadian Federal Income Tax Considerations" in the Circular accompanying the Offer dated June 9, 2014 made by Vetra Acquisition Ltd. to the holders of common shares of Suroco Energy Inc.

(Signed) GOODMAN'S LLP
Toronto, Canada

June 9, 2014

CERTIFICATE OF VETRA ACQUISITION LTD.

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

DATED: June 9, 2014

(Signed) MARTIN DIAZ PLATA

President

(Signed) JOSE MIGUEL KNOELL

Chief Executive Officer

On behalf of the Board of Directors of the Offeror

(Signed) CERIAN SHEPHERD

Director

(Signed) KENNETH ROSS BROTMAN

Director

THE DEALER MANAGER FOR THE OFFER IS:

FirstEnergy Capital Corp.



1100, 311 – 6th Avenue S.W.
Calgary, Alberta
T2P 3H2

THE INFORMATION AGENT AND DEPOSITARY FOR THE OFFER IS:



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Shareholder Services

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