



DECEMBER 31, 2010 PETROMINERALES SHARE EXCHANGE PETROMINERALES SHAREHOLDERS: JOINT TAX ELECTION

For former holders ("Shareholders") of common shares ("Petrominerales Common Shares") of Petrominerales Ltd. ("Petrominerales") who exchanged their Petrominerales Common Shares for 1567725 Alberta Ltd. ("New Petrominerales") Common Shares ("New Petrominerales Common Shares") pursuant to the Scheme of Arrangement (the "Arrangement") effective December 31, 2010.

DECEMBER 31, 2010 PETROMINERALES SHARE EXCHANGE

Shareholders of Petrominerales – Frequently asked questions on the Joint Tax Election

This document has been designed to assist Petrominerales Shareholders in making a joint tax election (“Joint Tax Election”) with New Petrominerales in order to obtain a full or partial tax-deferred rollover for Canadian income tax purposes on the exchange of their Petrominerales Common Shares for New Petrominerales Common Shares. The actual tax consequences for any particular former holder of Petrominerales Common Shares may vary from those described herein. Anyone using this information is urged to consult their own tax advisor.

For detailed step-by-step instructions on completion of the Joint Tax Election Form, please visit our website at <http://www.petrominerales.com/investors/pmg-spinout-information/> and click on the heading “Tax Election Toolkit and Step-by-Step Guide”.

For additional information and answers to general tax questions on the Arrangement, please visit our website at <http://www.petrominerales.com/investors/pmg-spinout-information/> and click on the heading “Petrominerales Spinout Tax Information”.

The information contained herein is applicable to Canadian resident shareholders only. Shareholders resident outside of Canada are urged to consult their own tax advisor to appropriately assess the tax impact of the Arrangement.

Summary Information

- The Arrangement closed on December 31, 2010.
- Petrominerales shareholders can elect to transfer their shares of Petrominerales to New Petrominerales and defer any gain or loss on the transfer by completing a Joint Tax Election. For detailed step-by-step instructions on completing the Joint Tax Election, please visit our website at <http://www.petrobank.com/investors/tax/pmgspinout/> and click on the heading “Tax Election Toolkit and Step-by-Step Guide”.
- A partially completed Joint Tax Election Form (Form T2057) can be downloaded from our website at <http://www.petrobank.com/investors/tax/pmgspinout/> under the heading “Form T2057 – December 31, 2010”.
- Federal tax election forms are also available from the Canada Revenue Agency:
 - For individuals, corporations or trust – Form T2057 - <http://www.cra-arc.gc.ca/E/pbg/tf/t2057/t2057-08e.pdf>
 - For partnerships – Form T2058 - <http://www.cra-arc.gc.ca/E/pbg/tf/t2058/t2058-08e.pdf>

Important deadlines

- You must complete and sign **three (3) copies** of the Joint Tax Election Form. Completed and signed tax election forms must be received by New Petrominerales by **March 31, 2011**. New

Petrominerales has agreed to execute and mail the Joint Tax Election to the Canada Revenue Agency within 30 days after it receives the election. Shareholders with a filing due date prior to or around the March 31, 2011 deadline are therefore advised to forward their completed Joint Tax Elections at an earlier date.

- No later than **March 31, 2011**, please mail completed forms to:

Petrominerales Ltd.
Suite 1900, 111 – 5th Avenue SW
Calgary, Alberta T2P 3Y6
Attention: Alison Howard

- New Petrominerales will sign the completed forms and forward one copy to the Canada Revenue Agency. A signed copy of the Joint Tax Election Form will be returned to the shareholder via the address on the election form.

Frequently Asked Questions

The information included in this list of frequently asked questions is provided for illustrative purposes only and is not binding on the tax authorities. Anyone using this information is therefore urged to consult their own tax advisors. Petrominerales, New Petrominerales, or their respective successors, affiliates, advisors, agents, or employees shall not incur any liability in respect of the accuracy of such information.

1. What happened to my Petrominerales common shares on December 31, 2010?

On December 31, 2010 each Petrominerales Common Share was exchanged for one New Petrominerales Common Share.

2. I am an Eligible Shareholder. Is the exchange a taxable transaction?

Eligible Holders can elect to recognize no gain on the exchange of their Petrominerales Shares for New Petrominerales Shares in the year of the exchange. This can be done by filing the Joint Tax Election with New Petrominerales. **The Joint Tax Election must be filed to achieve a tax-deferred rollover.** A Shareholder that does not file a Joint Tax Election is generally required to recognize the full amount of the gain or loss on the exchange in their income for tax purposes in the year of the exchange. For additional information and answers to general tax questions on the Arrangement, please visit our website at <http://www.petrominerales.com/investors/pmg-spinout-information/> and click on the heading "Petrominerales Spinout Tax Information".

3. I have obtained a copy of the Joint Tax Election Form. What do I do now?

Each Petrominerales shareholder who is an Eligible Shareholder is solely responsible for ensuring that the Joint Tax Election Form is completed and returned to New Petrominerales by the applicable deadline. Consult the Tax Election Toolkit for information concerning the filing deadline and detailed step-by-step instructions. A copy of the Tax Election Toolkit and Step-by-Step Guide can be

found on our website at <http://www.petrominerales.com/investors/pmg-spinout-information/> under the heading "Tax Election Toolkit and Step-by-Step Guide".

4. My wife and I own our shares together. Who should complete and sign the Joint Tax Election?

The Joint Tax Election should list all co-owners and provide their name, address, social insurance number (or business number) and taxation year. The Joint Tax Election should be signed by the person designated by the co-owners to act on their behalf. All co-owners must authorize, in writing, the person who signs the form on their behalf.

5. How do I determine how many shares of Petrominerales I owned on December 31, 2010?

Your securities broker can provide you with this information.

6. What was the fair market value of the Petrominerales Common Shares I disposed of on December 31, 2010 and the consideration I received in return?

New Petrominerales has estimated the fair market value of the Petrominerales Common Shares and the New Petrominerales Common Shares to be \$32.65 per share. This is based on the weighted average trading price of Petrominerales Ltd. on the Toronto Stock Exchange for the last 10 trading days prior to the completion of the Arrangement assuming that each Petrominerales Common Share is equivalent in value to one New Petrominerales Common Share. The fair market value of Petrominerales has been adjusted to remove the value of the fourth quarter dividend having a record date of December 30, 2010. This estimate of fair market value is not binding on the Canada Revenue Agency or any particular Petrominerales Shareholder but represents Petrominerales' best estimate of fair market value at the time of the Arrangement.

Please be advised that any estimate of fair market value is not binding on the Canada Revenue Agency or any particular shareholder of Petrominerales. You should consult your own tax advisor to assist you in determining the fair market value if you have any doubt.

7. How do I calculate the adjusted cost base of my Petrominerales common shares?

The adjusted cost base of shares is generally based on the amount paid to acquire such shares, subject to possible adjustments under certain circumstances (e.g. shares received from an estate, shares received on a tax-deferred exchange, etc.). If you have any doubt as to the adjusted cost base of your shares please consult your tax advisor. Neither Petrominerales nor New Petrominerales has the necessary information to determine your adjusted cost base.

8. Is there a fee for filing the Joint Tax Election Form (or any relevant provincial election forms)?

You are not required to pay any fees to file the Joint Tax Election (or any relevant provincial election forms) provided the forms are filed prior to their due date. Otherwise, a late filing penalty may have to be remitted with the form(s) when filed. Late-filing penalties or interest are the sole responsibility of the shareholder.

9. Will Petrominerales or New Petrominerales help me complete the Joint Tax Election Form (or any relevant provincial election forms)?

Each shareholder is responsible for completing his or her own Joint Tax Election Form (and any relevant provincial election forms). However, the Joint Tax Election Toolkit and Step-by-Step Guide provides detailed step-by-step instructions on how to complete the Joint Tax Election Form. The Joint Tax Election Toolkit and Step-by-Step Guide can be found by visiting our website at <http://www.petrobank.com/investors/tax/pmgspinout/> under the heading "Tax Election Toolkit and Step-by-Step Guide".

10. What happens if I miss the March 31, 2011 deadline to submit by Federal (or provincial) Joint Tax Election Form to New Petrominerales?

If you miss the deadline, you may not be entitled to the benefits afforded by the Joint Tax Election as New Petrominerales has no obligation to pursue the procedure in such a case. Please note that the actual deadline for filing Joint Tax Elections with the Canada Revenue Agency is based on each shareholder's due date of their 2010 income tax return, which differs depending on whether the shareholder is an individual, a partnership, a trust, or a corporation. The Canada Revenue Agency may accept a late-filed election; however, it will be subject to a late-filing penalty.

11. What happens if my Joint Tax Election Form is incomplete when it is received by New Petrominerales?

If the form(s) are obviously incomplete, they will be returned unsigned. It will then be your responsibility to complete the form(s) and resubmit them prior to March 31, 2011. Late-filed election forms may be subject to penalties and interest and are the sole responsibility of the shareholder.

12. I filed the election and deferred all of the tax on the exchange of my Petrominerales shares for New Petrominerales shares. Do I still have to report the exchange on my tax return for the period that includes the transaction on December 31, 2010?

Yes. Even if you deferred any gain arising on the exchange, you still disposed of your Petrominerales shares. Your proceeds of disposition for the purpose of filing your income tax return will normally be equal to the elected amount indicated on your Joint Tax Election Form provided such elected amount is within the parameters allowed under the *Income Tax Act* (Canada).

13. I have completed and signed the Federal tax election form (and any relevant provincial tax election forms). What do I do next?

Forward three (3) copies of each completed and signed election form to the address below prior to March 31, 2011:

Petrominerales Ltd.
Suite 1900, 111 – 5th Avenue SW
Calgary, AB T2P 3Y6
Canada
Attention: Alison Howard

After receiving the completed forms, New Petrominerales will determine whether the form appears to be complete. If so, New Petrominerales or its successor will sign the forms and forward one copy to the Canada Revenue Agency. Another copy will be returned to the shareholder via the address on the Joint Tax Election. As noted above, any forms that are obviously incomplete will be returned to the shareholder unsigned, and will have to be resubmitted prior to March 31, 2011.

None of Petrominerales Ltd., New Petrominerales, or their respective successors, affiliates, advisors, agents, or employees will be responsible or liable for any taxes, interest, penalties, damages or expenses resulting from the failure by anyone to properly complete or file any election forms in the form and manner and within the time prescribed by the relevant tax laws.