



# PETROMINERALES

## **Non-Canadian Investors: General information concerning the taxation of dividends**

*The following information is provided as general guidance for non-Canadian investors (or potential investors) of Petrominerales Ltd. Non-Canadian investors (or potential investors) should seek advice from a qualified tax advisor in their country of residence concerning the particular tax consequences of holding shares of Petrominerales Ltd., including but not limited to the taxation of distributions / dividends.*

### Withholding taxes on dividends

In accordance with Canadian domestic tax legislation as prescribed by the Income Tax Act (Canada), distributions to non-residents of Canada are subject to withholding taxes at a rate of 25%. The non-Canadian investor may be entitled to a foreign tax credit in respect of the Canadian withholding taxes paid where permissible by foreign tax legislation.

The domestic Canadian withholding tax rate may be reduced to a lower rate where Canada and the foreign jurisdiction have entered into a bilateral tax treaty, provided the investor is entitled to benefits under such treaty. Effective January 1, 2012, in order to be eligible for a reduced withholding tax rate under a treaty, shareholders must complete and file a *Declaration of Eligibility for Benefits under a Tax Treaty for a Non-Resident Taxpayer* ([Form NR301](#), [Form NR302](#), or [Form NR303](#)) with Computershare, our transfer agent. Instructions on completing the declarations are included with the hyperlinks to each of the forms on the Canada Revenue Agency website. For further information, please refer to <http://www.cra-arc.gc.ca/formspubs/frms/nr301-2-3-eng.html>. Please mail your completed forms to:

Computershare  
100 University Ave, 9th Floor  
Toronto, ON M5J 2Y1

### Colombian taxation of dividends

Colombian investors will generally be subject to Colombian tax on the gross amount of the dividends received based on applicable Colombian tax rates. Amounts paid as Canadian withholding taxes may be eligible for a foreign tax credit in Colombia. Any Colombian tax owing, net of any available foreign tax credit, will be due and payable by each shareholder at the time of filing their annual Colombian tax return. Please note that the applicable Colombian tax will not be withheld from the net distributions paid by Petrominerales Ltd. The remittance of any additional Colombian tax is the sole responsibility of each shareholder. For more detailed information on the general tax implications, information regarding the taxation of dividends or the application of foreign tax credits, shareholders should contact their own qualified legal or

tax advisor or their local office of the Dirección de Impuestos y Aduanas Nacionales, the Colombian tax agency.

### U.S. taxation of dividends

In the United States, individuals and other non-corporate holders who receive distributions out of current or accumulated “earnings and profits” of a *Qualified Foreign Corporation*<sup>1</sup> may be eligible for the reduced tax rates applicable to *Qualified Dividends*<sup>2</sup> provided all other conditions are satisfied, including statutory holding requirements. Any distributions in excess of current and accumulated earnings and profits may reduce the shareholder’s U.S. tax basis in the shares of Petrominerales Ltd. Corporations resident in the United States will not be eligible for the reduced tax rates applicable to *Qualified Dividends*. The gross amount of the dividend will be included in the computation of taxable income and taxed at the applicable corporate tax rate.

For investors who are residents of the United States and are entitled to benefits under the Canada-United States tax treaty, withholding taxes on dividends may be reduced to a rate of 15%. As noted above, as of January 1, 2012, investors must complete and file a *Declaration of Eligibility for Benefits under a Tax Treaty for a Non-Resident Taxpayer* with Computershare to be eligible for reduced withholding tax rates under the Canada-United States tax treaty in respect of dividends paid by Petrominerales Ltd.

U.S. resident investors may be entitled to a foreign tax credit with respect to the Canadian withholding taxes paid, subject to the restrictions and eligibility considerations of the Internal Revenue Code.

U.S. investors are urged to consult their own legal or tax advisors as to the appropriate treatment of distributions based on their own facts and circumstances.

### Disclaimer

*The above tax information is of a general nature only and is not intended to be, and should not be construed to be, legal or tax advice to any particular shareholder (or prospective shareholder) of Petrominerales Ltd. Investors should consult their own legal or tax advisors as to their particular tax consequences of holding Petrominerales Ltd. common shares and receiving dividend income thereon.*

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<sup>1</sup> As defined by the United States Internal Revenue Code.

<sup>2</sup> Ibid.