

**NOTICE OF SETTLEMENT OF THE
ALANGE/PETROMAGDALENA
SECURITIES CLASS ACTION**

READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR LEGAL RIGHTS.

This notice is to all persons, other than certain persons associated with the defendants, who acquired securities of Alange Energy Corp. (“Alange”), now known as PetroMagdalena Energy Corp. (“PetroMagdalena”), during the period from August 30, 2010 to January 12, 2011 (“Shares”) and who held some or all of those Shares on January 13, 2011.

COURT APPROVAL OF THE CLASS ACTION SETTLEMENT

In 2011, the plaintiffs commenced a proposed class action against Alange and certain officers and directors of Alange (“Defendants”) in the Ontario Superior Court of Justice (“Court”). The plaintiffs alleged that the Defendants misrepresented Alange’s production of barrels of oil equivalent per day. On June 11, 2013, Justice Patterson certified the action as a class proceeding and granted leave to the plaintiffs to commence an action pursuant to Part XXIII.1 of Ontario’s *Securities Act*.

On October 18, 2013, the parties to the class action signed a Settlement Agreement which provides that some of the Defendants will pay \$9 million (“Settlement Amount”) in full and final settlement of all claims, including the fees, disbursements, taxes of the lawyers for the Class (“Fees”) and administration expenses in return for releases and a dismissal of the action. The settlement has been approved by the Court and the Settlement Amount has been paid to the lawyers for the Class Members and is being held in trust for the benefit of the Class Members.

The settlement is a compromise of disputed claims and is not an admission of liability, wrongdoing or fault on the part of any of the Defendants, all of whom have denied, and continue to deny, the allegations against them.

The time to opt out has already passed.

THE ADMINISTRATOR

The Court appointed Marsh Risk Consulting Canada as the Administrator of this Settlement Agreement. The Administrator will, among other things: (i) receive and process the Claim Forms; (ii) make determinations of Class Members' eligibility for compensation pursuant to the Plan of Allocation; (iii) communicate with Class Members regarding their eligibility for compensation; and (iv) manage and distribute the Settlement Amount.

The Administrator can be contacted at:

Telephone: 1.888.256.1878
Mailing Address: 161 Bay Street, Suite 1400, Toronto, Ontario, M5J 2S4
E-mail Address: alangeclassaction@marsh.com
Website: www.alangeclassaction.com

A complete copy of the Settlement Agreement is available on the websites

www.alangeclassaction.com and www.strosbergco.com/alange.

CLASS MEMBERS' ENTITLEMENT TO COMPENSATION

To be eligible for compensation pursuant to the Settlement Agreement, Class Members must have purchased Alange securities during the Class Period and held some or all of them on January 13, 2011 and must submit a completed Claim Form, including any supporting documentation to the Administrator. The Claim Form is available at www.alangeclassaction.com, or by contacting the Administrator using the contact information provided above. To be eligible for compensation under the Settlement Agreement, Class Members must submit their Claim Form by using the secure Online Claims System at www.alangeclassaction.com no later than April 10, 2014 at 5:00 p.m. E.T. (“Claims Bar Deadline”). You should submit a paper Claim Form only if you do not have access to the internet.

“Excluded Persons,” who are precluded from receiving compensation pursuant to the Settlement Agreements include the Defendants, Alange’s past or present subsidiaries, officers, directors, affiliates, legal representatives, heirs, predecessors, successors and assigns, and any member of Luis E. Giusti’s and/or Horacio Santos’ families and any entity in which any of them has or had an interest.

The remainder of the Settlement Amount, after deduction of the Fees and Administration Expenses (“Compensation Fund”), will be distributed to Class Members in accordance with the Plan of Allocation, attached as Schedule “5” to the Approval Order, which, in general terms, provides that:

- (a) in order to be eligible to receive compensation pursuant to the settlement, a Class Member must submit a Claim Form, including trading information that demonstrates that the Class Member suffered a net loss, to the Administrator by the deadline for submission of claims (“Authorized Claimant”);
- (b) each Authorized Claimant’s *nominal* entitlement to compensation will be determined by application of the formulae outlined in the Plan of Allocation which take into account: (i) the number and the price of Alange securities purchased by the Class Member during the Class Period (“Qualified Shares”); and (ii) when the Class Member sold some or all of their Qualified Shares and the price at which such securities were sold.
- (c) each Authorized Claimant’s *actual* compensation from the Compensation Fund will be his/her/its *pro rata* share of the Compensation Fund calculated as a ratio of his/her/its nominal entitlement to the total nominal entitlements of all Authorized Claimants multiplied by the Compensation Fund; and
- (d) depending upon the amount of all valid claims, each eligible Class Member may receive interest on their pro rata share.

REFEREE

The Court has appointed Gregory Wrigglesworth of Kirwin Partners LLP as the Referee to review decisions of the Administrator relating to eligibility to share in the distribution of the Compensation Fund, the determination of the number of Qualified Shares, or the amount of the Net Loss. A Class Member may elect a Reference by the Referee by delivering a written election for review to the Administrator within fifteen (15) days of receipt of the Administrator’s

decision, along with a deposit of \$150. If the Referee changes the Administrator's decision relating to eligibility to share in the distribution, the number of Qualified Shares or Net Loss, the Administrator shall return the \$150 deposit to the Class Member, otherwise the deposit will be added to the Compensation Fund.

IMPORTANT DEADLINE

The Claims Bar Deadline is April 10, 2014.

Claim Forms will not be accepted after the deadline. As a result, it is necessary that you act without delay.

LAWYERS FOR THE CLASS

The law firm of Sutts, Strosberg LLP represents the Class Members in this class action, and can be reached by telephone, toll free, at 1.800.489.6982.

The Court awarded \$2,603,182.68 for Fees. The lawyers were retained on a contingent basis such that they were only to be paid if they were successful in the litigation. The legal fees, expenses and taxes will be deducted from the Settlement Amount before it is distributed to Class Members. Expenses incurred or payable relating to approval, notification, implementation and administration of the Settlement Agreement including the fees of the Administrator ("Administration Expenses") will also be deducted from the Settlement Amount before it is distributed to Class Members.

INTERPRETATION

If there is a conflict between the provisions of this notice and the Approval Order, the terms of the Approval Order will prevail.

Distribution of this notice has been authorized by the Court. Questions about this notice should NOT be directed to the Court.