Court File No.: CV-11-16208

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE JUSTICE	)	FRIDAY THE 6TH DAY
	)	
TERRENCE PATTERSON	)	OF DECEMBER, 2013

B E T W E E N

ERIK POOLE and WILLIAM RHODY

Plaintiffs

and

PETROMAGDALENA ENERGY CORP., LUIS E. GIUSTI and HORACIO SANTOS

Defendants

Proceedings under the *Class Proceedings Act, 1992*

ORDER

THESE MOTIONS, made by:

(a) the plaintiffs for judgment pursuant to subsection 29(2) of the *Class Proceedings Act, 1992*, S.O. 1992, c. 6 in accordance with the terms of the Settlement Agreement; and

(b) Class Counsel for the approval of the agreement respecting fees and disbursements between Sutts, Strosberg LLP and the plaintiffs pursuant to subsection 32(2) of the *Class Proceedings Act, 1992*, S.O. 1992, c. 6;

were heard on November 28, 2013 at Windsor, Ontario.

ON READING the following:

(c) the notice of motion;

(d) the Settlement Agreement;

(e) the affidavits of:

(i) Erik Poole sworn November 13, 2013;

(ii) William Rhody sworn November 8, 2013;

(iii) Patricia Speight sworn November 20, 2013;

(iv) Donna Fournier sworn October 22, 2013;

(v) Jessbinder Dhanoa sworn November 5, 2013;

(vi) Joel Wiesenfeld sworn November 14, 2013;

(vii) Gregory Wrigglesworth sworn November 27, 2013; and

(viii) S. Alex Constantin sworn May 1, 2012.

AND ON HEARING the submissions of counsel for the Parties in the action,

AND ON BEING ADVISED that:

(a) the Parties consent to this order with respect to approval of the settlement;

(b) the defendants take no position with respect to Class Counsel Fees;

(c) Marsh consents to being appointed Administrator;

(d) Gregory Wrigglesworth of Kirwin Partners LLP consents to being appointed Referee; and

(e) there were no objections to the proposed settlement.

AND without any admission of liability on the part of any of the defendants, all defendants having denied liability.

1. THIS COURT ORDERS AND DECLARES that for the purposes of this order, the definitions in the Settlement Agreement apply to and are incorporated into this order, provided however that the following definitions also apply:

   (a) "Claims Bar Deadline" means at 5:00 p.m. eastern time on the date that falls ninety (90) days after the first publication of the Second Short Form Notice;

   (b) "Escrow Account" means the interest bearing trust account with one of the Canadian Schedule 1 banks in Ontario initially under the control of Class Counsel and then transferred to the control of the Administrator;

   (c) "Marsh" means Marsh Risk Consulting Canada; and

   (d) "Settlement Agreement" means the settlement agreement signed by the Parties and dated October 18, 2013.

2. THIS COURT ORDERS AND ADJUDGES that the proposed settlement of this action is fair and reasonable and in the best interests of the Class Members and is approved.

3. THIS COURT ORDERS that:

   (a) the Settlement Agreement, without schedules, attached as schedule 1 to this order, is incorporated into this order and is approved and shall be implemented in accordance with its terms;

   (b) the Second Short Form Notice, generally in the form attached as schedule 2 to this order, is approved;

(c) the Second Long Form Notice, generally in the form attached as schedule 3 to this order, is approved;

(d) the Plan of Notice, generally in the form attached as schedule 4 to this order, is approved;

(e) the Plan of Allocation, generally in the form attached as schedule 5 to this order, is approved; and

(f) the Claim Form, generally in the form attached as schedule 6 to this order, is approved.

4. THIS COURT ORDERS that Marsh is appointed as the Administrator, until further order of the Court:

(a) on the terms and conditions and with the powers, duties and responsibilities set out in the Settlement Agreement and Plan of Allocation; and

(b) to maintain the Escrow Account and to hold, invest and disburse the Escrow Settlement Amount in accordance with the terms of the Settlement Agreement, the Plan of Allocation and this order.

5. THIS COURT ORDERS that if the Settlement Agreement is not terminated in accordance with this order, the Administrator shall be paid from the Escrow Account an all inclusive fee of $350,000 plus HST, to be paid in five installments of $70,000 plus HST, with the first installment payable upon entry of this order, and the remaining installments to be paid upon further Court orders.

6. THIS COURT ORDERS that if the Settlement Agreement is terminated in accordance with this order, the Administrator may apply to the Court pursuant to sections 4.1(1)(c) and 16.1(1) of the Settlement Agreement for directions relating to the amount it is to be paid for the services it rendered to the date of termination.

7. THIS COURT ORDERS that the Administrator may implement a procedure permitting brokers to make claims on behalf of their clients if they are authorized to do so.

8. THIS COURT ORDERS that Gregory Wrigglesworth of Kirwin Partners LLP is appointed as Referee, until further order of the Court, on the terms and conditions and with the powers, duties and responsibilities set out in the Settlement Agreement and Plan of Allocation.

9. THIS COURT ORDERS that the Class Members shall be given notice of the approval of the Settlement Agreement, the Plan of Allocation and the Claims Bar Deadline substantially in the form of the Second Short Form Notice and the Second Long Form Notice, both disseminated in accordance with the Plan of Notice.

10. THIS COURT ORDERS AND DECLARES that the notice to the Class Members provided for in this order satisfies the requirements of section 17(6) of the *CPA*.

11. THIS COURT ORDERS that after publication and distribution of the Second Short Form Notice and the Second Long Form Notice as directed by the Plan of Notice, Class Counsel and the defendants shall file with the Court affidavits confirming the publication and distribution of the notices in accordance with and as required by the Plan of Notice.

12. THIS COURT ORDERS AND DECLARES that this order is binding upon each Class Member in accordance with the terms of this order, including those persons who are minors or are mentally incapable, and the requirements of Rules 7.04(1) and 7.08(4) of the *Rules of Civil Procedure* are dispensed with.

13. THIS COURT ORDERS AND DECLARES that each Releasor has released and shall be conclusively deemed to have fully, finally and forever released the Releasees from any and all manner of claims, demands, actions, suits, causes of action, whether class, individual or otherwise in nature, whether personal or subrogated, damages whenever incurred, and liabilities of any nature whatsoever, including, without limitation, interest, costs, expenses, Administration Expenses, penalties, lawyers' fees, known or unknown, suspected or unsuspected, in law, under statute or in equity, that the Releasors, or any of them, whether directly, indirectly, derivatively, or in any other capacity, ever had, now have, or hereafter can, shall, or may have as against the Releasees, relating in any way to the purchase, sale, pricing, marketing or distributing of Shares, or to any representations made by the Releasees during the Class Period to anyone concerning Alange, its operations or the Shares, or relating to any conduct

alleged (or which could have been alleged) in the Action, including, without limitation, any such claims which have been asserted, would have been asserted or could have been asserted as a result of the purchase or sale of Shares in the Class Period.

14. THIS COURT ORDERS that the Releasors and Class Counsel shall not now or hereafter institute, continue, maintain or assert, either directly or indirectly, whether in Canada or elsewhere, on their own behalf or on behalf of any class or any other person, any action, suit, cause of action, claim or demand against any Releasee or any other person who may claim contribution or indemnity from any Releasee in respect of any Released Claim or any matter related thereto.

15. THIS COURT ORDERS that to participate in this Settlement, a Class Member must file a Claim Form with the Administrator on or before the Claims Bar Deadline unless the Court orders otherwise.

16. THIS COURT ORDERS that the plaintiffs, Class Counsel, the Referee or the Administrator may apply to the Court for directions in respect of the implementation and/or the administration of the Plan of Allocation or any other matter thereto.

17. THIS COURT ORDERS that any one of the plaintiffs or the defendants may apply to the Court for directions in respect of the termination of the Settlement Agreement in accordance with its terms or any matter relating thereto.

18. THIS COURT ORDERS that no person may bring any action or take any proceedings against the plaintiffs, defendants, Administrator, the Referee, or their directors, officers, employees, agents, partners, associates, representatives, successors or assigns for any matter in any way relating to the administration of the Plan of Allocation or the implementation of this order except with leave of the Court.

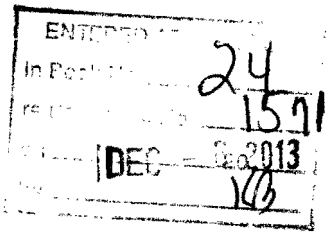
19. THIS COURT ORDERS that:

(a) the agreements dated April 4, 2012 among Sutts, Strosberg LLP and the plaintiffs are approved; and

(b) Class Counsel's fees, disbursements and taxes are fixed at $2,603,182.68 and shall be paid from the Escrow Account forthwith after the Settlement becomes final.

20. THIS COURT ORDERS that Class Counsel may apply to the Court for reimbursement of any additional disbursements incurred in the implementation and administration of the Settlement Agreement.

21. THIS COURT ORDERS that the action, except as provided in this order, is dismissed against the defendants without costs and with prejudice.



[redacted]

JUSTICE

1139252-v4

SETTLEMENT AGREEMENT

Made as of the 18th day of October, 2013

Between

Eric Poole
and William Rhody

and

PetroMagdalena Energy Corp.
and Horacio Santos

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ALANGE SETTLEMENT AGREEMENT

SECTION 1 – RECITALS

1.1 WHEREAS

A. The Plaintiffs commenced the Action which alleges that the Defendants misrepresented Alange's production of barrels of oil equivalent per day during the Class Period;

B. The Defendants deny liability in respect of the claims, as alleged in the Action, and believe that they have good and reasonable defences in respect of the merits in the Action;

C. The Defendants assert that they would actively pursue these defences and other defences in respect of the merits at trial if the Plaintiffs continued the Action against them;

D. The Parties have negotiated and entered into this Settlement Agreement to avoid the further expense, inconvenience, and burden of this litigation arising out of the facts that gave rise to this litigation and achieve final resolution of all claims asserted or which could have been asserted against the Defendants by the Plaintiffs on their own behalf and on behalf of the Class they represent, and to avoid the risks inherent in uncertain, complex and protracted litigation, and thereby to put to rest this controversy;

E. Counsel for the Defendants and counsel for the Plaintiffs have engaged in extensive arm's-length settlement discussions and negotiations in respect of this Settlement Agreement;

F. As a result of these settlement discussions and negotiations, the Defendants and the Plaintiffs have entered into this Settlement Agreement, which embodies all of the terms and conditions of the settlement between the Defendants and the Plaintiffs, both individually and on behalf of the Class, subject to approval of the Court;

G. The Plaintiffs have agreed to accept this settlement, in part, because of the amount of the Settlement Funds to be provided by the Defendants under this Settlement Agreement, as well as the attendant risks of litigation in light of the potential defences that may be asserted by the Defendants;

H. The Defendants do not admit, through the execution of this Settlement Agreement, any of the conduct alleged in the Action;

I. The Plaintiffs, Class Counsel and the Defendants agree that neither this Settlement Agreement nor any statement made in the negotiation thereof shall be deemed or construed to be an admission by or evidence against the Defendants or evidence of the truth of any of the Plaintiffs' allegations against the Defendants;

J. The Plaintiffs and Class Counsel have reviewed and fully understand the terms of this Settlement Agreement and, based on their analyses of the facts and law applicable to the Plaintiffs, and having regard to the burdens and expense in prosecuting the Action, including the risks and uncertainties associated with trials and appeals, the Plaintiffs and Class Counsel have concluded that this Settlement Agreement is fair, reasonable and in the best interests of the Plaintiffs and the Class;

K. The Defendants are entering into this Settlement Agreement in order to achieve a final resolution of all claims asserted or which could have been asserted against them by the Plaintiffs in the Action, and to avoid further expense, inconvenience and the distraction of burdensome and protracted litigation;

L. The Parties therefore wish to, and hereby do, finally resolve, without admission of liability, the Action as against the Defendants;

M. On June 11, 2013, Justice Patterson certified the Action as a class proceeding pursuant to the *CPA* and granted leave to the plaintiffs to commence an action pursuant to Part XXIII.1 of Ontario's *Securities Act*;

N. The opt-out period has expired;

O. For the purposes of settlement only and contingent on approval by the Court as provided for in this Settlement Agreement, the Plaintiffs have consented to a dismissal of the Action against the Defendants;

NOW THEREFORE, in consideration of the covenants, agreements, promises and releases set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is agreed by the Parties that the Action be settled and dismissed on the merits with prejudice as to the Defendants, subject to the approval of the Court, on the following terms and conditions:

SECTION 2 – DEFINITIONS

2.1 Definitions

For the purposes of this Settlement Agreement, including the Recitals and Schedules hereto:

(1) ***Action*** means the action *Poole et al.* v. *PetroMagdalena Energy Corp. et al.* brought in the Court under Court File No. CV-11-16208 (Windsor).

(2) ***Administration Expenses*** means all fees, disbursements, expenses, costs, taxes and any other amounts incurred or payable relating to approval, implementation and administration of the Settlement including the costs of publishing, translating and delivering notices, the fees, disbursements and taxes paid to the Administrator, Referee, Broadridge Financial Solutions Inc. and any other expenses approved by the Court which shall all be paid from the Settlement Amount. For greater certainty, Administration Expenses include the Non-Refundable Expenses but do not include Class Counsel Fees.

(3) ***Administrator*** means Marsh Risk Consulting Canada, the third-party firm selected at arm's length, and recommended by Class Counsel, and appointed by the Court to administer the Agreement, and any employees of such firm.

(4) ***Agreement*** means this agreement, including the recitals and schedules hereto.

(5) ***Alange*** means Alange Energy Corp., now PetroMagdalena.

(6) ***Approval Hearing*** means the hearing of the Second Motion.

(7) ***Approval Order*** means the order made by the Court approving the Settlement, generally in the form of the order at Schedule "A".

(8) ***Authorized Claimant*** means any Class Member who has been approved for compensation by the Administrator.

(9) ***Claim Form*** means the form, to be approved by the Court which, when completed and submitted in a timely manner to the Administrator, enables a Class Member to apply for compensation pursuant to the Settlement.

(10) ***Claims Bar Deadline*** means the date by which each Class Member must file a Claim Form and all required supporting documentation with the Administrator which date shall be ninety days (90) days after the date on which the Second Notice is first published.

(11) ***Class or Class Members*** means all persons, other than Excluded Persons, who acquired securities of Alange during the Class Period and who held some or all of those securities on January 13, 2011.

(12) ***Class Counsel*** means Sutts, Strosberg LLP.

(13) ***Class Counsel Fees*** means the fees, disbursements, costs, HST and other applicable taxes or charges of Class Counsel and a *pro rata* share of all interest earned on the Settlement Amount to the date of payment, as approved by the Court.

(14) ***Class Period*** means the period from August 30, 2010 to and including January 12, 2011.

(15) ***Contributing Parties*** means the Defendants, except for Luis E. Giusti, and the Insurers.

(16) ***Court*** means the Ontario Superior Court of Justice.

(17) ***CPA*** means the *Class Proceedings Act, 1992*, S.O. 1992, c. 6, as amended.

(18) ***Defendants*** means the defendants in the Action.

(19) ***Effective Date*** means the date on which the Approval Order becomes a final order or thirty (30) days after the date of the Approval Order if an appeal is taken from the Approval Order relating only to Class Counsel Fees, whichever is later.

(20) ***Escrow Account*** means the interest bearing trust account with one of the Canadian Schedule 1 banks in Ontario initially under the control of Class Counsel and then transferred to the control of the Administrator.

(21) ***Escrow Settlement Amount*** means the Settlement Amount plus (i) any interest accruing thereon, whether on account of late payment into the Escrow Account as provided in section 5.1(2), or as a result of investment thereof after payment of all Non-Refundable Expenses.

(22) ***Excluded Persons*** means the Defendants and Alange's past or present subsidiaries, affiliates, officers, directors, senior employees, legal representatives, heirs, predecessors, successors and assigns, and any member of the Individual Defendants' families and any entity in which any of them has or had during the Class Period any legal or de facto controlling interest.

(23) ***First Motion*** means a motion brought by the Plaintiffs before the Court for an order:

(i) setting the date for the hearing of the Second Motion;

(ii) approving the form of and authorizing the manner of publication and dissemination of the First Notice;

(iii) appointing Class Counsel to manage the Escrow Account; and

(iv) appointing Gregory Wrigglesworth of Kirwin Partners LLP to receive and report to the Court on Class Members' objections to the Settlement, if any.

which order shall generally be in accordance with the order at Schedule "B".

(24) ***First Notice*** means notice to the Class of the Second Motion in a form to be approved by the Court which shall generally be in accordance with the notice at Schedule "C".

(25) ***Individual Defendants*** means Luis E. Giusti and Horacio Santos.

(26) ***Insurers*** means the Defendants' insurers.

(27) ***Newspapers*** means the following newspaper publications in Canada: Globe and Mail (National Edition) and La Presse; and El Tiempo in Bogotá, Capital District, Columbia.

(28) ***Non-Refundable Expenses*** means certain administration expenses stipulated in section 4.1(1) of the Agreement to be paid from the Settlement Amount.

(29) ***Parties*** means the Plaintiffs and the Defendants (except for Luis E. Giusti).

(30) ***Plaintiffs*** means the plaintiffs in the Action.

(31) ***PetroMagdalena*** means PetroMagdalena Energy Corp., formerly Alange.

(32) ***Plan of Allocation*** means the distribution plan which shall generally be in accordance with the plan at Schedule "D" stipulating the proposed implementation and administration of the Settlement as approved by the Court.

(33) ***Plan of Notice*** means the plan for disseminating the First Notice and the Second Notice to the Class generally in accordance with the plan attached as Schedule "E" as approved by the Court.

(34) ***Referee*** means Gregory Wrigglesworth of Kirwin Partners LLP or such other person or persons appointed by the Court to serve in that capacity.

(35) ***Released Claims*** (or ***Released Claim*** in the singular) means any and all manner of claims, demands, actions, suits, causes of action, whether class, individual or otherwise in nature, whether personal or subrogated, damages whenever incurred, and liabilities of any nature whatsoever, including, without limitation, interest, costs, expenses, administration expenses, penalties, Class Counsel Fees and lawyers' fees, known or unknown, suspected or unsuspected, in law, under statute or in equity, that the Releasors, or any of them, whether directly, indirectly, derivatively, or in any other capacity, ever had, now have, or hereafter can, shall, or may have as against the Releasees, relating in any way to the purchase, sale, pricing, marketing or distributing of Shares during the Class Period, or to any representations made by the Releasees during the Class Period to anyone concerning Alange, its operations or the Shares, or relating to any conduct alleged (or which could have been alleged) in the Action, including, without limitation, any such claims which have been asserted, would have been asserted or could have been asserted as a result of the purchase or sale of Shares in the Class Period.

(36) ***Releasees*** means the Defendants, their Insurers and their respective past and present affiliates, subsidiaries, directors, officers, partners, employees, trustees, servants, consultants, underwriters, advisors, lawyers, representatives, successors, assigns and their heirs, executors, administrators, successors and assigns.

(37) ***Releasors*** means, jointly and severally, the Plaintiffs, the Class Members (excluding those who have opted out), including any person having a legal and/or beneficial interest in the Shares purchased or acquired by these Class Members, and their respective past and present directors, officers, employees, agents, trustees, servants, consultants, underwriters, advisors, representatives, heirs, executors, attorneys, administrators, guardians, estate trustees, successors and assigns, as the case may be.

(38) ***Second Motion*** means a motion brought by the Plaintiffs in the Court for the Approval Order approving the Settlement; appointing the Administrator and the Referee; and a motion brought by Class Counsel approving Class Counsel Fees.

(39) ***Second Short Form Notice*** means notice to the Class of the Approval Order, in a form to be approved by the Court which shall generally be in accordance with the notice at Schedule "F".

(40) ***Second Long Form Notice*** means notice to the Class of the Approval Order, in a form to be approved by the Court which shall generally be in accordance with the notice at Schedule "G".

(41) ***Settlement*** means the settlement provided for in the Agreement.

(42) ***Settlement Amount*** means $9,000,000, inclusive of the Administration Expenses, Class Counsel Fees, and any other costs or expenses related to the Action or the Settlement.

(43) ***Shares*** means securities of Alange and/or PetroMagdalena.

(44) ***TSXV*** means the TSX Venture Exchange.

SECTION 3 – THE FIRST MOTION

(1) The Plaintiffs shall, as soon as is reasonably possible, following the execution of the Agreement, bring the First Motion. The Defendants, except Luis E. Giusti, shall consent to the First Motion.

(2) Following the determination of the First Motion, the First Notice shall be published in accordance with the directions of the Court and section 9.1 of the Agreement.

(3) The Plaintiffs shall thereafter bring the Second Motion before the Court in accordance with its directions and the Defendants shall consent to the Approval Order sought in the Second Motion.

(4) Except as hereinafter provided, the Agreement shall be immediately terminated if the Court does not approve the Settlement as a result of the Second Motion.

(5) Following the hearing and determination of the Second Motion, the Second Short Form Notice and the Second Long Form Notice shall be published in accordance with the directions of the Court and section 9.2.

SECTION 4 – NON-REFUNDABLE EXPENSES

4.1 Payments

(1) Expenses reasonably incurred for the following purposes, as approved by the Court, shall be the Non-Refundable Expenses, and shall be payable from the Settlement Amount, as and when incurred:

(a) the costs incurred in connection with establishing and operating the Escrow Account;

(b) the costs incurred in translating, publishing and disseminating the First Notice and the Second Notice; and

(c) the costs of Gregory Wrigglesworth of Kirwin Partners LLP in connection with receiving objections and reporting to the Court and the costs of the proposed Administrator for performing all other required services until the Court approves

or declines to approve the Agreement, to a combined maximum of $10,000 for fees, disbursements and taxes; and

(d) if necessary, the costs incurred in translating, publishing and disseminating the termination notice.

(2) Class Counsel shall account to the Court and the Parties for all payments it makes from the Escrow Account. In the event that the Agreement is terminated, this accounting shall be delivered no later than ten (10) days after such termination.

4.2 Disputes Concerning Non-Refundable Expenses

Any dispute concerning the entitlement to or quantum of Non-Refundable Expenses shall be dealt with by a motion to the Court on notice to the Parties.

SECTION 5 – THE SETTLEMENT AMOUNT

5.1 Payment of Escrow Settlement Amount

(1) On or before four (4) days of the date of the Approval Hearing, the Settlement Amount, less the costs paid by the Contributing Parties in accordance with the draft order at Schedule "B" of the Settlement Agreement, shall be paid into the Escrow Account by the Defendants (except Luis E. Giusti) and/or the Insurers.

(2) The Contributing Parties shall pay interest at the rate of 5% per year on any portion of the funds, for which they are responsible, not deposited by the date set forth in section 5.1(1) until the funds are deposited.

5.2 Interim Investment of Escrow Account

Class Counsel, and then the Administrator after the Settlement becomes final, shall hold the Escrow Settlement Amount in the Escrow Account and shall invest the Escrow Settlement Amount in a liquid money market account or equivalent security with a rating equivalent to, or better than that of an interest bearing account in a Canadian Schedule 1 bank and shall not pay out any amount from the Escrow Account, except in accordance with the terms of the

Agreement, and only pursuant to an order of the Court, following a motion made on notice to the Parties.

5.3 Taxes on Interest

(1) Except as provided in section 5.3(2), all taxes payable on any interest which accrues in relation to the Settlement Amount, shall be the Class' responsibility and shall be paid by Class Counsel or the Administrator, as appropriate, from the Escrow Settlement Amount, or by the Class as the Administrator considers appropriate.

(2) If the Administrator or Class Counsel returns any portion of the Settlement Amount plus accrued interest to the Contributing Parties, pursuant to the provisions of the Agreement, the taxes payable on the interest portion of the returned amount shall be the responsibility of the Contributing Parties to be allocated by agreement among themselves.

SECTION 6 – NO REVERSION

Unless the Agreement is terminated as provided herein, the Contributing Parties shall not, under any circumstances, be entitled to the repayment of any portion of the Settlement Amount and then only to the extent of and in accordance with the terms provided herein.

SECTION 7 - DISTRIBUTION OF THE SETTLEMENT AMOUNT

If and when the Settlement becomes final as contemplated by section 11, the Administrator shall distribute the remainder of the Settlement Amount in accordance with the following priorities:

(a) to pay Class Counsel Fees;

(b) to pay all of the costs and expenses reasonably and actually incurred, except those of the Defendants, in connection with the provision of notices, locating Class Members for the sole purpose of providing notice to them, soliciting Class Members to submit a Claim Form, including the notice expenses reasonably and actually incurred by Broadridge Financial Solutions Inc. in connection with the provision of notice of this Settlement to Class Members. For greater certainty, the

Defendants are specifically excluded from eligibility for any payment of costs and expenses under this subsection;

(c) to pay all of the costs and expenses reasonably and actually incurred by the Administrator and the Referee, relating to determining eligibility, the filing of Claim Forms, processing Claim Forms, resolving disputes arising from the processing of Claim Forms and administering and distributing the Settlement Amount;

(d) to pay any taxes required by law to be paid to any governmental authority; and

(e) to pay a *pro rata* share of the balance of the Escrow Settlement Amount to each Authorized Claimant in proportion to his/her/its claim as recognized in accordance with the Plan of Allocation.

SECTION 8 – EFFECT OF SETTLEMENT

8.1 No Admission of Liability

Neither the Agreement nor anything contained herein, shall be interpreted as a concession or admission of wrongdoing or liability by the Releasees, or as a concession or admission by the Releasees of the truthfulness of any claim or allegation asserted in the Action. Neither the Agreement nor anything contained herein shall be used or construed as an admission by the Releasees of any fault, omission, liability or wrongdoing in connection with any statement, release, written document or financial report.

8.2 Agreement Not Evidence

(1) Neither the Agreement, nor anything contained herein, nor any of the negotiations or proceedings connected with it, nor any related document, nor any other action taken to carry out the Agreement shall be referred to, offered as evidence or received in evidence in any pending or future civil, criminal, quasi-criminal or administrative action or proceeding.

(2) Notwithstanding section 8.2(1), the Agreement may be referred to or offered as evidence in a proceeding to approve or enforce the Agreement, or to defend against the assertion of Released Claims, or as otherwise required by law.

8.3 Best Efforts

The Parties shall use their best efforts to implement the terms of the Agreement. The Parties agree to hold in abeyance all steps in the Action, including all discovery, other than proceedings provided for in the Agreement, the First Motion, the Second Motion and such other proceedings required to implement the terms of the Agreement, until the date the Settlement becomes final or the termination of the Agreement.

SECTION 9 – NOTICE TO THE CLASS

9.1 First Notice

The Defendants, except Luis E. Giusti, or any one of them, shall cause the First Notice to be disseminated in accordance with the Plan of Notice as approved by the Court and the costs of so doing shall be paid as a Non-Refundable Expense as provided in 4.1(1)(b).

9.2 Second Notice

Class Counsel shall cause the Second Short Form Notice and the Second Long Form Notice to be disseminated in accordance with the Plan of Notice as approved by the Court and the costs of so doing shall be paid as a Non-Refundable Expense as provided in section 4.1(1)(b).

9.3 Report to the Court

After publication and dissemination of each of the notices required by this section, the Parties shall file with the Court an affidavit confirming publication and dissemination.

SECTION 10 – TERMINATION OF THE AGREEMENT

10.1 General

(1) The Agreement shall, without notice, be automatically terminated if:

(a) the Approval Order is not made by the Court generally in accordance with the form at Schedule "A"; or

(b) the Approval Order is reversed on appeal and the reversal becomes final.

(2) The failure of the Court to approve in full the request by Class Counsel for Class Counsel Fees shall not be grounds to terminate this Agreement.

(3) In the event the Agreement is terminated in accordance with its terms:

(a) the Plaintiffs and the Defendants will be restored to their respective positions prior to the execution of the Agreement;

(b) the Agreement will have no further force and effect and no effect on the rights of the Plaintiffs or the Defendants;

(c) all statutes of limitation applicable to the claims asserted in the Action shall be deemed to have been tolled until the orders contemplated by section 10.2(3) are entered;

(d) any amounts paid for establishing and operating the Escrow Account, disseminating the First Notice, the Second Short Form Notice, Second Long Form Notice and the Termination Notice, if any, and to Gregory D. Wrigglesworth of Kirwin Partners LLP and the Administrator pursuant to section 4.1(1) are non-recoverable from the Plaintiffs, the Class Members or Class Counsel;

(e) the Agreement will not be introduced into evidence or otherwise referred to in any litigation against the Defendants.

(4) Notwithstanding the provisions of section 10.1(3)(b), if the Agreement is terminated, the provisions of this section and sections 2, 4, 5.2, 5.3, 8.1, 8.2, 10.1(1), 10.1(2), 10.1(3), 10.1(4), 10.2(1), 10.2(2), 10.2(3), 16.1(1), 16.1(2), 16.3(1), 16.3(2), 16.4(1), 16.4(2), 16.5 and the recitals and schedules applicable thereto shall survive termination and shall continue in full force and effect.

10.2 Allocation of Monies in the Escrow Account Following Termination

(1) The Administrator and Class Counsel shall account to the Court and the Parties for the amounts maintained in the Escrow Account. If the Agreement is terminated, this accounting shall be delivered no later than ten (10) days after such termination.

(2) If the Agreement is terminated, the Defendants shall, within thirty (30) days after termination, apply to the appropriate Court, on notice to the Plaintiffs and the Administrator, for an order:

(a) declaring the Agreement null and void and of no force or effect except for the provisions of those sections listed in section 10.1(4);

(b) determining whether a notice of termination shall be sent out to the Class Members and, if so, the form and method of disseminating such a notice;

(c) requesting an order setting aside, *nunc pro tunc*, all prior orders or judgments entered by the Court in accordance with the terms of this Agreement; and

(d) authorizing the payment of:

(i) all funds received from any of the Contributing Parties and not yet paid into the Escrow Account pursuant to section 4.1; and

(ii) all funds in the Escrow Account, including accrued interest,

to the Contributing Parties, apportioned *pro rata,* based on their respective contributions, directly or indirectly, to the Escrow Account, as the case may be, minus any amounts paid out of the Escrow Account in accordance with the terms of the Agreement.

(3) Subject to section 10.3, the Parties shall consent to the orders sought in any motion made by the Defendants pursuant to section 10.2(2).

10.3 Disputes Relating to Termination

If there is any dispute about the termination of the Agreement, the Court shall determine any dispute by motion on notice to the Parties.

SECTION 11 – DETERMINATION THAT THE SETTLEMENT IS FINAL

(1) The Settlement shall be considered final on the Effective Date.

(2) Within ten (10) days after the Effective Date, Class Counsel shall transfer the Escrow Account to the Administrator.

SECTION 12 – RELEASES AND JURISDICTION OF THE ONTARIO COURT

12.1 Release of Releasees

As of the Effective Date and after the Settlement Amount has been deposited into the Escrow Account, the Releasors forever and absolutely release the Releasees from the Released Claims.

12.2 No Further Claims

As of the Effective Date and after the Settlement Amount has been deposited into the Escrow Account, the Releasors and Class Counsel shall not now or hereafter institute, continue, maintain or assert, either directly or indirectly, whether in Canada or elsewhere, on their own behalf or on behalf of any class or any other person, any action, suit, cause of action, claim or demand against any Releasee or any other person who may claim contribution or indemnity from any Releasee in respect of any Released Claim or any matter related thereto.

12.3 Dismissal of the Action

Except as otherwise provided in the Agreement and the Approval Order, the Action shall be dismissed without costs and with prejudice.

SECTION 13 – ADMINISTRATION

13.1 Appointment of the Administrator

(1) The Court will appoint the Administrator to serve until further order of the Court, to implement the Agreement and the Plan of Allocation, on the terms and conditions and with the powers, rights, duties and responsibilities set out in the Agreement and in the Plan of Allocation.

(2) If the Agreement is terminated, the Administrator's fees, disbursements and taxes will be fixed as set out in section 4.1(1)(c).

(3) If the approval of the Settlement becomes final as contemplated by section 11 the Court will fix the Administrator's compensation and payment schedule.

13.2 Appointment of the Referee

(1) The Court will appoint the Referee with the powers, duties and responsibilities set out in the Agreement and the Plan of Allocation.

(2) The fees, disbursements and taxes of the Referee will be fixed by the Court and shall not exceed $25,000, exclusive of disbursements and HST. When directed by the Court, the Administrator will pay the Referee from the Escrow Settlement Amount.

13.3 Information and Assistance from the Defendants

(1) Alange will provide a person to whom Class Counsel and/or the Administrator may address any requests for information. Alange agrees to make reasonable efforts to answer any reasonable inquiry from Class Counsel and/ or the Administrator in order to facilitate the administration and implementation of the Agreement and the Plan of Allocation.

(2) Any information obtained or created in the administration of this Agreement is confidential and, except as required by law, shall be used and disclosed only for the purpose of distributing notices and the administration of the Agreement and the Plan of Allocation.

13.4 Claims Process

(1) In order to seek payment from the Settlement Amount, a Class Member must submit a completed Claim Form to the Administrator, in accordance with the provisions of the Plan of Allocation, on or before the Claims Bar Deadline and, any Class Member who fails to do so, shall not share in any distribution made in accordance with the Plan of Allocation unless the Court orders otherwise, but will in all other respects be subject to, and bound by, the provisions of the Agreement and the releases contained herein.

(2) In order to remedy any deficiency in the completion of a Claim Form, the Administrator may require and request that additional information be submitted by a Class Member who submits a Claim Form. Such Class Members shall have until the later of thirty (30) days from the date of the request from the Administrator or the Claims Bar Deadline to rectify the

deficiency. Any person who does not respond to such a request for information within the thirty (30) day period shall be forever barred from receiving any payments pursuant to the Settlement, subject to any order of the Court to the contrary, but will in all other respects be subject to, and bound by, the provisions of the Agreement and the releases contained herein.

13.5 Disputes Concerning the Decisions of the Administrator

(1) In the event that a Class Member disputes the Administrator's decision, whether in whole or in part, the Class Member may appeal the decision to the Referee in accordance with the provisions in the Plan of Allocation. The decision of the Referee will be final with no right of appeal.

(2) No action shall lie against Class Counsel, the Administrator, the Referee, or Kirwin Partners LLP for any decision made in the administration of the Agreement and Plan of Allocation without an order from the Court authorizing such an action.

13.6 Conclusion of the Administration

(1) Following the Claims Bar Deadline, and in accordance with the terms of the Settlement Agreement, the Plan of Allocation, and such further approval or order of the Court as may be necessary, or as circumstances may require, the Administrator shall distribute the Escrow Settlement Amount to Authorized Claimants.

(2) No claims or appeals shall lie against Class Counsel or the Administrator based on distributions made substantially in accordance with the Agreement, the Plan of Allocation, or with any other order or judgment of the Court.

(3) If the Escrow Settlement Account is in a positive balance (whether by reason of tax refunds, un-cashed cheques or otherwise) after one hundred eighty (180) days from the date of distribution of the Escrow Settlement Amount to the Authorized Claimants, the Administrator shall, if economically feasible, allocate such balance among Authorized Claimants in an equitable fashion up to the limit of each person's actual loss. If there is a balance in the Escrow Settlement Account after each Authorized Claimant is paid up to their actual loss, the funds shall be paid *cy près* to a recipient designated by further order of the Court.

(4) Upon the conclusion of the administration, or at such other time as the Court directs, the Administrator shall report to the Court on the administration and shall account for all monies it has received, administered and disbursed and obtain an order from the Court discharging it as Administrator.

SECTION 14 – THE PLAN OF ALLOCATION

(1) The Defendants shall have no obligation to consent to but shall not oppose the Court's approval of the Plan of Allocation.

(2) Unless directed to do so by the Court, the Defendants will not make any submissions to the Court relating to the Plan of Allocation.

(3) Sections 14(1) and (2) are not an acknowledgement by the Class or Class Counsel that the Defendants have standing to make any submissions to the Courts about the Plan of Allocation.

SECTION 15 – THE FEE AGREEMENT AND CLASS COUNSEL FEES

15.1 Motion for Approval of Class Counsel Fees

(1) At the Approval Hearing, Class Counsel shall seek the approval of Class Counsel Fees to be paid as a first charge on the Settlement Amount. Class Counsel are not precluded from making additional applications to the Court for expenses incurred as a result of implementing the terms of the Agreement. All amounts awarded on account of Class Counsel Fees shall be paid from the Settlement Amount.

(2) The Defendants acknowledge that they are not parties to the motion concerning the approval of Class Counsel Fees, they will have no involvement in the approval process to determine the amount of Class Counsel Fees and they will not make any submissions to the Court concerning Class Counsel Fees.

(3) Any order or proceeding relating to Class Counsel Fees, or any appeal from any order relating thereto or reversal or modification thereof, shall not operate to terminate or cancel the Agreement or affect or delay the finality of the Approval Order and the Settlement of the Action as provided herein.

15.2 Payment of Class Counsel Fees

Forthwith after the Settlement becomes final, as contemplated in section 11, the Administrator shall pay to Class Counsel, in trust, the Class Counsel Fees approved by the Court from the Escrow Account.

SECTION 16 – MISCELLANEOUS

16.1 Motions for Directions

(1) Any one or more of the Parties, Class Counsel, the Administrator or the Referee may apply to the Court for directions in respect of any matter in relation to the Agreement and Plan of Allocation.

(2) All motions contemplated by the Agreement shall be on notice to the Parties.

16.2 Defendants Have No Responsibility or Liability for Administration

Except for the obligation to pay the Settlement Amount and provide the information and assistance contemplated by section 13.3(1), the Defendants shall have no responsibility for and no liability whatsoever with respect to the administration or implementation of the Agreement and Plan, including, without limitation, the processing and payment of claims by the Administrator.

16.3 Headings, etc.

(1) In the Agreement:

(a) the division of the Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of the Agreement;

(b) the terms "the Agreement", "herein", "hereto" and similar expressions refer to the Agreement and not to any particular section or other portion of the Agreement;

(c) all amounts referred to are in lawful money of Canada; and

(d) "person" means any legal entity including, but not limited to, individuals, corporations, sole proprietorships, general or limited partnerships, limited liability partnerships or limited liability companies.

(2) In the computation of time in the Agreement, except where a contrary intention appears:

(a) where there is a reference to a number of days between two events, they shall be counted by excluding the day on which the first event happens and including the day on which the second event happens, including all calendar days; and

(b) only in the case where the time for doing an act expires on a holiday, the act may be done on the next day that is not a holiday.

16.4 Governing Law

(1) The Agreement shall be governed by and construed and interpreted in accordance with the laws of the Province of Ontario.

(2) The Parties agree that the Court shall retain exclusive and continuing jurisdiction over the Action, the Parties and Class Members to interpret and enforce the terms, conditions and obligations under the Agreement and the Approval Order.

16.5 Entire Agreement

The Agreement constitutes the entire agreement among the Parties and supersedes all prior and contemporaneous understandings, undertakings, negotiations, representations, promises, agreements, agreements in principle and memoranda of understanding in connection herewith. None of the Parties will be bound by any prior obligations, conditions or representations with respect to the subject matter of the Agreement, unless expressly incorporated herein. The Agreement may not be modified or amended except in writing and on consent of all Parties and any such modification or amendment must be approved by the Court.

16.6 Binding Effect

(1) If the Settlement is approved by the Court and becomes final as contemplated in section 11, the Agreement shall be binding upon, and enure to the benefit of, the Plaintiffs, the Class

Members, the Defendants, the Releasees, the Releasors, the Contributing Parties, the Insurers and all of their respective heirs, executors, predecessors, successors and assigns. Without limiting the generality of the foregoing, each and every covenant and agreement made herein by the Plaintiffs shall be binding upon all Releasors and each and every covenant and agreement made herein by the Defendants shall be binding upon all of the Releasees.

(2) The person signing this Agreement on behalf of Alange and PetroMagdalena (formerly Alange) represent and warrant that:

(a) they have all requisite corporate power and authority to execute, deliver and perform the Agreement and to consummate the transaction contemplated hereby on their own behalf;

(b) the execution, delivery, and performance of the Agreement and the consummation of the Actions contemplated herein have been duly authorized by all necessary corporate action on the part of PetroMagdalena (formerly Alange);

(c) the Agreement has been duly and validly executed and delivered by them and constitutes their legal, valid, and binding obligations;

(d) they agree to use their best efforts to cause all conditions precedent to the Effective Date to occur.

16.7 Survival

The representations and warranties contained in the Agreement shall survive its execution and implementation.

16.8 Negotiated Agreement

The Agreement and the underlying settlement have been the subject of negotiations and many discussions among the Parties. Each of the undersigned has been represented and advised by competent counsel, so that any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafters of the Agreement shall have no force and effect. The Parties further agree that the language contained in or not

contained in previous drafts of the Agreement, or any agreement in principle, shall have no bearing upon the proper interpretation of the Agreement.

16.9 Recitals and Schedules

(1) The recitals and schedules to the Agreement are material and integral parts hereof and are fully incorporated into, and form part of, the Agreement.

(2) The schedules to the Agreement are:

(a) Schedule "A" – Approval Order

(b) Schedule "B" – First Order

(c) Schedule "C" – First Notice

(d) Schedule "D" – Plan of Allocation

(e) Schedule "E" – Plan of Notice

(f) Schedule "F" – Second Short Form Notice

(g) Schedule "G" – Second Long Form Notice

16.10 Acknowledgements

Each of the Parties hereby affirms and acknowledges that:

(a) he, she or its representative has the authority to bind the Party with respect to the matters set forth herein has read and understood the Agreement;

(b) the terms of the Agreement and the effects thereof have been fully explained to him, her or its representative by his, her or its counsel;

(c) he, she or its representative fully understands each term of the Agreement and its effect.

16.11 Authorized Signatures

Each of the undersigned represents that he or she is fully authorized to enter into the terms and conditions of, and to execute, the Agreement on behalf of the Party for whom he or she is signing.

16.12 Counterparts

The Agreement may be executed in counterparts, all of which taken together will be deemed to constitute one and the same agreement, and a facsimile signature shall be deemed an original signature for purposes of executing the Agreement.

16.13 Confidentiality and Communications

(1) In any public discussion of, comment on, press release or other communication of any kind (with the media or otherwise) about the Agreement and Plan of Allocation, the Parties, and their respective counsel, agree and undertake to describe the Settlement and the terms of this Agreement as fair, reasonable and in the best interests of the Class.

(2) The Parties' obligations under this section shall not prevent them, or any of them, from reporting to their clients, from complying with any order of the Court, or from making any disclosure or comment required by the Agreement, or from making any necessary disclosure or comment for the purposes of any applicable securities or tax legislation or from making any disclosure or comment to Class Members or the Court.

16.14 Translation

This Agreement will be translated into French and Spanish. In the event there are inconsistencies in the provisions of the Agreement as a result of the translations, the English version of the Agreement will prevail.

16.15 Notice

Any notice, instruction, motion for Court approval or motion for directions or Court orders sought in connection with the Agreement or any other report or document to be given by

any Party to any other Party shall be in writing and delivered personally, by facsimile or e-mail during normal business hours, or sent by registered or certified mail, or courier postage paid.

Notice to the Plaintiffs and for Class Counsel shall be provided to :

Jay Strosberg
Sutts, Strosberg LLP
Lawyers
600-251 Goyeau Street
Windsor, ON N9A 6V1
Telephone: 519.561.6285
Facsimile: 519.561.6203
Email: jay@strosbergco.com

Notice to PetroMagdalena Energy Corp. shall be provided to:

Joe Groia
Groia & Company LLPC
365 Bay Street
11th Floor
Toronto, ON M5H 2V1
Telephone: 416.203.4472
Facsimile: 416.203.9231
Email: jgroia@groiaco.com

Notice to Horacio Santos shall be provided to:

James Douglas
Borden Ladner Gervais LLP
40 King Street West
Scotia Plaza
Toronto, ON M5H 3Y4
Telephone: 416.367.6029
Facsimile: 416.361.2747
Email: jdouglas@blgcanada.com

The Parties have executed the Agreement as of the date on the cover page.

Erik Poole

[redacted]

PetroMagdalena Energy Corp.

By: _____
Name
Title

William Rhody

_____

Horacio Santos

_____

Sutts, Strosberg LLP has executed the Agreement as of the date on the cover page to signify its consent to hold the Non-Refundable Expense Fund and the Escrow Account on the terms provided in the Agreement and to be bound by the terms of the Agreement.

Sutts, Strosberg LLP
By:

_____
Jay Strosberg
Partner

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PetroMagdalena Energy Corp.

By: _____
Name
Title

William Rhody

[redacted]

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By:

Jay Strosberg
Partner

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Erik Poole

PetroMagdalena Energy Corp.

By: [redacted]
Name PETER VOLK
Title PRESIDENT

William Rhody

Horacio Santos

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Sutts, Strosberg LLP
By:

Jay Strosberg
Partner

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Erik Poole

PetroMagdalena Energy Corp.

By: _____
Name
Title

William Rhody

Horacio Santos

[redacted]

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Sutts, Strosberg LLP
By:

_____
Jay Strosberg
Partner

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The Parties have executed the Agreement as of the date on the cover page.

Erik Poole

_____

PetroMagdalena Energy Corp.

By: _____
Name
Title

William Rhody

_____

Horacio Santos

_____

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Sutts, Strosberg LLP
By: [redacted]
Jay Strosberg
Partner

1116998/13

NOTICE OF SETTLEMENT OF THE ALANGE/PETROMAGDALENA SECURITIES CLASS ACTION

Read this notice carefully as it may affect your rights.

This notice is directed 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., during the period from August 30, 2010 to January 12, 2011 and who held some or all of those securities on January 13, 2011 ("Class Members").

In 2011, the plaintiffs commenced a proposed class action against Alange and certain of its officers and directors in the Ontario Superior Court of Justice ("Court") alleging that the defendants misrepresented Alange's production of barrels of oil equivalent per day. The action was certified as a class action on June 11, 2013 and the plaintiffs were granted leave to commence an action pursuant to Part XXIII.1 of Ontario's *Securities Act*. The opt-out period expired on September 3, 2013 at 5:00 p.m..

A settlement was reached which was approved by the Court. The defendants do not admit any wrongdoing or liability on their part. The settlement is a compromise of disputed claims.

SUMMARY OF THE SETTLEMENT TERMS

The defendants have paid $9 million ("Settlement Amount") in full and final settlement of all claims, including the fees, out-of-pocket expenses and taxes ("Fees") of the lawyers for the Class and administration costs in return for releases and a dismissal of the class action. The Fees were fixed by the court at $2,603,182.68, and will be paid as a first charge on the Settlement Amount.

The net Settlement Amount will be distributed in accordance with the court-approved and supervised Plan of Allocation.

A CLAIM FOR COMPENSATION MUST BE MADE BY •, 2014

Each Class Member must submit a completed Claim Form on or before •, 2014 in order to participate in the settlement. The Claim Form can be found and downloaded at www.alangeclassaction.com or obtained by calling the Administrator at 888.256.1878. If you do not submit a completed Claim Form by •, 2014, you will not receive any part of the net Settlement Amount.

The Court appointed Marsh Risk Consulting Canada as the Administrator of the settlement to, among other things: (i) receive and process claim forms; (ii) decide eligibility for compensation; and (iii) distribute the net Settlement Amount to eligible Class Members.

The Claim Form should be submitted by using the secure Online Claims System at **www.alangeclassaction.com**. You should submit a paper Claim Form only if you do not have internet access. The paper Claim Form may be sent by mail or courier to:

Administrator, Alange Energy Corp. Class Action

161 Bay Street, Suite 1400, Toronto, Ontario, M5J 2S4,

or by fax to: 800.396.8305

The Court appointed Gregory Wrigglesworth of Kirwin Partners LLP as the Referee to review any disputes arising from a decision of the Administrator on eligibility or amount of compensation. A review by the Referee

may be requested by delivery of a written submission setting out the basis for the dispute including all relevant documents provided that the request is submitted within fifteen (15) days of the decision in dispute.

PERSONAL LEGAL ADVICE

Class Members who seek the advice or guidance of their personal lawyers do so at their own expense.

INTERPRETATION

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

FOR FURTHER INFORMATION

Further information on the settlement, including the Settlement Agreement, Plan of Allocation and the court orders, may be found at www.alangeclassaction.com.

Questions for the Class Members' lawyers should be directed by telephone or in writing to:

Jay Strosberg
Sutts, Strosberg LLP
600-251 Goyeau Street
Windsor, ON N9A 6V4

Tel: 800.489.6982
Fax: 866.316.5308
Email: alange@strosbergco.com

INQUIRIES

If you need help, or are having difficulty with the claims process, or if you do not have access to the internet, or if you prefer not to register online, you may telephone the Administrator at 888.256.1878

This notice has been approved by the Court.

Questions about this notice should NOT be directed to the Court.

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:	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 website 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 **[date falling 90 days after the publication of the Publication Notice]** 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 •, 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.

1139373-v4

PLAN OF NOTICE

Capitalized terms used in this Plan of Notice have the meanings assigned in the Settlement Agreement.

Dissemination of the Second Short Form Notice

Newspaper Notice

Publication of the Second Short Form Notice, which notice will be at least a 1/4 page in size, will occur as soon as possible following issuance of an Approval Order, and, in any event, no later than forty (40) days following such date. Such publication will be made in English in the business/legal section of the national edition of the *Globe and Mail* and in French in the business section of *La Presse* and in Spanish in *El Tiempo*.

Dissemination of the Second Long-Form Notice

Internet Publication

The Second Long Form Notice will be posted, in English, French and Spanish on (i) www.alangeclassaction.com; (ii) the website of the Administrator; and (iii) the investor relations section of www.pacificrubiales.com.

Individual Notice

Within forty (40) days of the issuance of the Approval Order, Class Counsel shall direct Broadridge, or the Administrator, as the case may be, to send the Second Long Form Notice to all putative Class Members identified as a result of Broadridge's, or the Administrator's, as the case may be, solicitation of brokerage firms in Canada with the request that the brokerage firms send Broadridge, or the Administrator, the names and addresses of all individuals and entities identified by the brokerage firms as having a beneficial interest in the Shares.

Class Counsel shall mail or email the Second Long Form Notice in English, French and Spanish to those persons who have contacted them regarding this litigation and have provided their contact information.

Class Counsel shall make a toll free number and email address available to the public that will enable Class Members to obtain more information about the settlement and the claims process and to request that a copy of the Second Long Form Notice be sent to them directly. Class Counsel or the Administrator, as appropriate, will send the Second Long Form Notice and/or Claim Form to any Class Member who contacts Class Counsel or the Administrator's office and requests same. Additionally, the public may view, or obtain copies of, the Settlement Agreement, Second Long Form Notice and Claim Form on the website www.alangeclassaction.com.

PLAN OF ALLOCATION

THE DEFINED TERMS

1. The definitions set out in the Settlement Agreement, except as modified herein, apply to and are incorporated into this Plan of Allocation and, in addition, the following definitions apply:

   (a) "**Acquisition Expense**" means the total monies paid by the Claimant (including brokerage commissions) to acquire Qualified Shares;

   (b) "**Authorized Claimant**" means a Class Member who: (i) submitted a properly completed Claim Form and all required supporting documentation to the Administrator; (ii) suffered a Net Loss; and (iii) the Administrator has determined is eligible to receive a Distribution from the Compensation Fund;

   (c) "**Claimant**" means a Class Member who submits a properly completed Claim Form and all required supporting documentation to the Administrator, on or before the Claims Bar Deadline;

   (d) "**Compensation Fund**" means the Settlement Amount less Class Counsel Fees and the Administration Expenses;

   (e) "**Database**" means the web-based database in which the Administrator stores information received from the Claimants and/or acquired through the claims process;

   (f) **"Distribution"** means payment to Authorized Claimants in accordance with this Plan of Allocation, the Settlement Agreement and any order of the Court;

(g) "**Distribution List**" means a list containing the name and address of each Authorized Claimant, the calculation of his/her/its Net Loss and the calculation of the Authorized Claimant's *pro rata* share of the Compensation Fund;

(h) "**Disposition Proceeds**" means the total proceeds paid to the Claimant (without deducting any commissions paid in respect of the dispositions) in consideration of the sale of all of his/her/its Qualified Shares;

(i) "**Qualified Shares**" means Shares purchased or acquired during the Class Period;

(j) "**FIFO**" means the principle of first-in first-out, wherein securities are deemed to be sold in the same order that they were purchased (i.e. the first securities purchased are deemed to be the first sold); which requires, in the case of a Claimant who held Shares at the commencement of the Class Period, that those Shares be deemed to have been sold completely before Qualified Shares are sold;

(k) "**Net Loss**" means that the Claimant's Disposition Proceeds are less than the Claimant's Acquisition Expense; and is the difference between: (1) the Claimant's Acquisition Expense; and (2) the Claimant's Disposition Proceeds;

(l) "**Nominal Entitlement**" means an Authorized Claimant's nominal damages as calculated pursuant to the formulae set forth herein, which forms the basis upon which each Authorized Claimant's *pro rata* share of the Compensation Fund is calculated;

(m) "**Reference**" means the procedure by which a Claimant who disagrees with the Administrator's decision relating to eligibility for compensation, the determination of the number of Qualified Shares, or the amount of the Net Loss, may appeal the Administrator's decision and have it reviewed by the Referee; and

(n) **"Website"** means the website at www.alangeclassaction.com.

THE OVERVIEW

2. This Plan of Allocation contemplates a determination of eligibility and an allocation and Distribution to each Authorized Claimant of a share of the Compensation Fund calculated as the ratio of his/her/its Nominal Entitlement to the total Nominal Entitlement of all Authorized Claimants multiplied by the amount of the Compensation Fund. An Authorized Claimant will be eligible to participate in the Distribution of the Compensation Fund only if he, she or it had a Net Loss on the disposition of Qualified Shares.

CALCULATION OF COMPENSATION

Calculation of Net Loss

3. A Claimant must have sustained a Net Loss in order to be eligible to receive compensation from the Compensation Fund.

4. The Administrator shall first determine whether a Claimant sustained a Net Loss. If the Claimant has sustained a Net Loss he/she/it becomes an Authorized Claimant, and the Administrator will then calculate his/her/its Nominal Entitlement.

Formulae for Calculating Nominal Entitlement

5. The Administrator will apply FIFO to distinguish the sale of Alange securities held at the beginning of the Class Period from the sale of Qualified Shares, and will continue to

apply FIFO to determine the purchase transactions which correspond to the sale of Qualified Shares. The date of purchase, sale or disposition shall be the trade date, as opposed to the settlement date of the transaction. The Administrator will use this data in the calculation of an Authorized Claimant's Nominal Entitlement according to the formulae listed below.

6. An Authorized Claimant's Nominal Entitlement will be calculated as follows:

(a) there is no Nominal Entitlement for any Qualified Shares *disposed of* prior to the alleged corrective disclosure, that is, *prior to January 13, 2011.*

(b) For Qualified Shares *disposed of* during the 10 trading day period following the alleged corrective disclosure, that is, *on or between January 13 to and including January 26, 2011*, the Nominal Entitlement shall be an amount equal to the number of Qualified Shares disposed of, multiplied by the difference between the volume weighted average price paid for those Qualified Shares (including any commissions paid in respect thereof) and the price received upon the disposition of those Qualified Shares (without deducting any commissions paid in respect of the disposition).

(c) For Qualified Shares *disposed of* after the 10 trading day period following the alleged corrective disclosure, that is, *after the close of trading on January 26, 2011*, including those shares held on July 27, 2012, when the company was acquired, the Nominal Entitlement shall be the lesser of:

(i) an amount equal to the number of Qualified Shares disposed of, multiplied by the difference between the volume weighted average price paid for those Qualified Shares (including any commissions paid in respect

thereof) and the price received upon the disposition of those Qualified Shares (without deducting any commissions paid in respect of the disposition); and

(ii) an amount equal to the number of Qualified Shares disposed of, multiplied by the difference between the volume weighted average price paid for those Qualified Shares (including any commissions paid in respect thereof) and $0.33 (being the 10 trading day volume weighted average trading price of Alange common shares from January 13, 2011 to January 26, 2011).

7. Each Authorized Claimant's actual compensation will be a portion of the Compensation Fund calculated as the ratio of his/her/its Nominal Entitlement to the total Nominal Entitlements of all Authorized Claimants multiplied by the amount of the Compensation Fund.

GENERAL PRINCIPLES OF THE ADMINISTRATION

8. The administration to be established shall:

(a) implement and conform to the Plan of Allocation;

(b) employ secure, paperless, web-based systems with electronic registration and record keeping, wherever practical; and

(c) be trilingual in all respects and include a trilingual website and a trilingual toll-free telephone help service.

THE ADMINISTRATOR

9. The Administrator shall have such powers and rights reasonably necessary to discharge its duties and obligations to implement and administer the Escrow Account and the Plan of Allocation in accordance with their terms, subject to the direction of the Court.

The Administrator's Duties and Responsibilities

10. The Administrator shall administer the Plan of Allocation under the oversight and direction of the Court and act as trustee in respect of the monies held within the Escrow Account upon receipt from Sutts Strosberg LLP.

11. The Administrator shall, wherever practical, develop, implement and operate an administration system utilizing web-based technology and other electronic systems for the following:

(a) receipt of Defendants' data, via Broadridge Financial Solutions, Inc. concerning the identity and contact information of registered holders or beneficial owners of Shares, respectively;

(b) class notification, as required;

(c) claim filing and document collection;

(d) claim evaluation, analysis, and Reference procedures;

(e) distribution analysis and Distributions;

(f) *cy près* award distribution, if any, and reporting thereon;

(g) Administration Expense payments; and

(h) cash management, audit control and reporting thereon.

12. The Administrator's duties and responsibilities shall include the following:

(a) receiving the monies in the Escrow Account from Sutts Strosberg LLP and investing them in trust in accordance with the Settlement Agreement;

(b) preparing any protocols required for submission to and approval of the Court;

(c) providing the hardware, software solutions and other resources necessary for an electronic web-based trilingual claims processing centre to function in a commercially reasonable manner;

(d) providing, training and instructing personnel in such reasonable numbers as are required for the performance of its duties in the most expedient, commercially reasonable manner;

(e) instituting a tracing process to locate a current address for those Class Members whose Second Long Form Notice is returned "address unknown," and re-mailing the Second Long Form Notice, at least forty five (45) days prior to the Claims Bar Deadline, to those Class Members for whom the tracing process provides a new mailing address, and who have not yet filed a Claim Form;

(f) developing, implementing and operating electronic web-based systems and procedures for receiving, processing, evaluating and decision making respecting the claims of Class Members, including making all necessary inquiries to determine the validity of such claims;

(g) if practicable, providing any Claimant whose Claim Form is not properly completed or does not include some of the required supporting documentation, an opportunity to remedy the deficiency as stipulated in the Settlement Agreement;

(h) making timely assessments of eligibility for compensation and providing prompt notice thereof;

(i) making Distributions from the Compensation Fund in a timely fashion;

(j) dedicating sufficient personnel to communicate with a Claimant in English, French or Spanish as the Claimant elects;

(k) using its best efforts to ensure that its personnel provide timely, helpful and supportive assistance to Claimants in completing the claims application process and in responding to inquiries respecting claims;

(l) preparing for, attending and defending its decisions at all References;

(m) distributing and reporting on any *cy près* awards;

(n) making payments of Administration Expenses;

(o) maintaining a database with all information necessary to permit the Court to evaluate the progress of the administration, as may, from time to time, be required;

(p) reporting to the Court respecting claims received and administered, and Administration Expenses; and

(q) preparing such financial statements, reports and records as directed by the Court.

13. The Administrator shall cause the information in the Database to be posted and accessible at the settlement Website.

14. Information in the Database concerning a claim shall be accessible to the Claimant electronically. Each Claimant shall be supplied with a personal user identification name

and personal password that will permit the Claimant to access only his/her/its own information in the Database.

15. Once a Claim Form and required supporting documentation is received by the Administrator, the Administrator shall:

(a) determine the number of Qualified Shares;

(b) decide whether the Claimant is eligible to participate in the Distribution;

(c) determine the number of Shares the Claimant held at the commencement of the Class Period;

(d) calculate the Claimant's Nominal Entitlement;

(e) if the total value of the Nominal Entitlements of all Authorized Claimants exceeds the settlement monies, calculate the amount of the Claimant's *pro rata* share of the Compensation Fund; and

(f) depending upon the value of all valid claims for compensation, pay prejudgment interest capped at a rate of 3% per annum.

16. Once the Administrator determines a Claimant's status, the respective number of his, her or its Qualified Shares; his, her or its Net Loss and his her or its *pro rata* share of the Compensation Fund, the Administrator shall advise the Claimant of the Administrator's decision by posting its decision on the Website accessible to the Claimant by personal identification name and personal password.

17. The Administrator may deal with Claimants in a manner that is not through an electronic medium as and when it determines that such a step is feasible and/or necessary.

However, in all cases the information acquired concerning Claimants shall be entered into the Database.

18. A decision of the Administrator in respect of a claim and any Claimant's entitlement to participate in or a share of the Distribution, subject to the Claimant's right to elect to refer the decision to the Referee for review, will be final and binding upon the Claimant and the Administrator.

THE REFEREE

19. The Referee shall have such powers and rights as are reasonably necessary to discharge his duties and obligations.

20. The Referee shall establish and employ a summary procedure to review any disputes arising from a decision of the Administrator, and may enter into such mediation and arbitration proceedings as the Referee may deem necessary.

21. All decisions of the Referee shall be in writing and shall be final and conclusive and there shall be no appeal therefrom whatsoever.

The Procedure for References

22. If a Claimant disagrees with the Administrator's decision relating to eligibility to share in the Distribution, the determination of the number of Qualified Shares, or the amount of the Net Loss, a Claimant 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.

23. The election for a Reference must set out the basis for the disagreement with the Administrator's decision and attach all documents relevant to the review which have not previously been delivered to the Administrator. This election for a Reference must be accompanied by a certified cheque or money order, payable to the Administrator, in the amount of $150.

24. Upon receipt of an election for a Reference, the Administrator shall deliver to the Referee a copy of:

(a) the election for a Reference and accompanying documents;

(b) the Administrator's decision on eligibility, the number of Qualified Shares and its calculation of the Nominal Entitlement, as applicable; and

(c) the Claim Form and supporting documents.

25. The Referee will carry out the Reference in the least expensive, most summary manner possible. The Referee will provide all necessary procedural directions and the review will be in writing unless the Referee provides different directions.

26. The Administrator shall participate in the process established by the Referee to the extent directed by the Referee.

27. The Referee shall deliver a written decision to the Claimant and the Administrator. 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 Claimant. If the Referee does not change the Administrator's decision, the Administrator shall add the $150 to the Compensation Fund.

ADMINISTRATION EXPENSES

28. The Administrator shall pay the fees, disbursements, taxes and other costs of:

(a) the Administrator;

(b) the Referee; and

(c) such other persons at the direction of the Court;

out of the Settlement Fund in accordance with the provisions of the Settlement Agreement, the Approval Order and any other orders of the Court.

29. The costs of giving the notices required pursuant to the Approval Order and the Plan of Allocation are not to be paid by the Administrator from its fee.

DISTRIBUTION TO AUTHORIZED CLAIMANTS

30. As soon as practicable after the completion of the claims and review process, the Administrator will bring a motion for authorization to make Distributions from the Compensation Fund. In support of this motion the Administrator will file the Distribution List with the Court.

31. No Distribution shall be made by the Administrator until authorized by the Court.

32. The Administrator may make interim Distributions if authorized by the Court.

33. Each Authorized Claimant whose name appears on the Distribution List shall comply with any condition precedent to Distribution that the Court may impose.

34. The Administrator shall make Distributions from the Compensation Fund forthwith after receipt of authorization from the Court to make Distributions to the Authorized Claimants whose names are on the Distribution List.

35. If the Escrow Account is in a positive balance after one hundred eighty (180) days from the date of Distribution of the Compensation Fund (whether by reason of tax refunds, un-cashed cheques or otherwise), the Administrator shall, if economically feasible, reallocate such balance among those Claimants whose names are on the Distribution List in an equitable and economic fashion. If such reallocation is not economically feasible or if any balance below CAN$50,000.00 remains in the Compensation Fund after all distributions, it shall be donated to the Access to Justice Fund administered by the Law Foundation of Ontario.

RESTRICTION ON CLAIMS

36. Any Class Member who does not submit a Claim Form and required supporting documentation with the Administrator on or before the Claims Bar Deadline will not be permitted to participate in the Distribution without permission of the Ontario Court. The

Administrator will not accept or process any Claim Form received after the Claims Bar Deadline unless directed to do so by the Court.

NO ASSIGNMENT

37. No amount payable under the Plan of Allocation may be assigned without the written consent of the Administrator.

ADMINISTRATOR'S FINAL REPORT TO THE ONTARIO COURT

38. Upon the conclusion of the administration, or at such other time as the Court directs, the Administrator shall report to the Court on the administration and shall account for all monies it has received, administered and disbursed by Distribution or otherwise and may obtain orders from the Court discharging it as Administrator.

SCHEDULE 6 – CLAIM FORM

ALANGE ENERGY CORP. CLASS ACTION

PAPER CLAIM FORM – PAGE 1 OF 5

CLAIM FORM – REQUIREMENTS / INSTRUCTIONS:

- Claims should be filed online using the secure Online Claims System at www.alangeclassaction.com.
- This paper Claim Form is to be used only if you do not have a computer with a connection to the Internet.
- The completed and signed Claim Form and required supporting documents must be received by the Administrator on or before the Claims Bar Deadline which is • (Eastern) on • at the following address:
  Marsh Canada, Settlement Administrator, Alange Energy Corp. Class Action Settlement
  161 Bay Street, Suite 1400, Toronto, Ontario, M5J 2S4
  or by fax to: 800.396.8305
- Keep a copy of the completed Claim Form and all supporting documents for your records.

PART 1 – CURRENT INFORMATION ABOUT THE CLAIMANT

1 Record the Claimant's current legal name, address and contact information in the space provided below.
The "Claimant" is the person who purchased or acquired the Alange Energy Corp. ("Alange"), now known as PetroMagdalena Energy Corp., ("PetroMagdalena") securities ("Shares") in the period August 30, 2010 to and including January 12, 2011. *Please be accurate as this information will be used by the Administrator if there is a payout for this claim.*

Claimant's Current Legal Name:	
Claimant's Current Address:	
Address Line 1:	
Address Line 2:	Address Line 3:
City/ Town:	Province/ State:
Postal/Zip Code:	Country:
Current Contact Information: (at least one of these items must be provided)	
Phone (with Area Code):	Fax (with Area Code):
Email Address:	

2 Is the Claimant an "Excluded Person"? ☐ YES ☐ NO

"Excluded Person" means Alange, PetroMagdalena, Luis E. Giusti and Horacio Santos and Alange and/or PetroMagdalena's past or present subsidiaries, affiliates, officers, directors, senior employees, 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.

If *Yes, the Claimant is not* a Class Member and should *not* complete this Claim Form.

PART 2 – INFORMATION REQUIRED TO PROCESS THE CLAIM

3 Did the Claimant purchase or acquire Shares in the period August 30, 2010 to and including January 12, 2011? ☐ YES ☐ NO

If *No, the Claimant is not* a Class Member and should *not* complete this Claim Form.

4 Were the Shares purchased in the period August 30, 2010 to and including January 12, 2011 held in a mutual fund? ☐ YES ☐ NO

If *Yes, the mutual fund is the Class Member*, and the Claimant should *not* complete this Claim Form *unless the Claimant is a mutual fund.*

5 Record in Box 1 the number of Shares held at the close of trading on August 29, 2010. Box 1 [ ]

6 Record in Box 2 the number of Shares purchased or acquired in the period August 30, 2010 to and including January 12, 2011. Box 2 [ ]

7 Record in Box 3 the number of Shares sold or disposed of in the period August 30, 2010 to and including January 12, 2011. Box 3 [ ]

8 Record in Box 4 the number of Shares held at the close of trading on July 18, 2011. Box 4 [ ]

9 Record in Box 5 the number of Shares held at the close of trading on July 26, 2012. Box 5 [ ]

PART 2 - CONTINUED

10 Which of the following terms best describes the Claimant?

☐ INDIVIDUAL ☐ JOINT PURCHASER ☐ PARTNERSHIP ☐ CORPORATION
☐ EXECUTOR ☐ TRUSTEE IN BANKRUPTCY ☐ BENEFICIARY OF A TRUST
☐ OWNER OF RRSP, RRIF, LIF OR RESP ☐ MUTUAL FUND
☐ OTHER (Please specify_____)

NOTE: If the Claimant purchased Shares in more than one capacity, for example, personally and in an RRSP, a separate Claim Form is required for purchases in *each* capacity.

If the Claimant is an INDIVIDUAL, complete the table below.

Individual's Name:	First Name	Middle Name	Last Name		
Is this individual deceased? ☐ YES ☐ NO		If Yes, Date of Death:	Year	Month	Day

If the Claimant is a JOINT PURCHASER, complete the table below with information about each of the joint purchasers.

Joint Purchaser #1 – Name:	First Name	Middle Name	Last Name		
Is this individual deceased? ☐ YES ☐ NO		If Yes, Date of Death:	Year	Month	Day
Joint Purchaser #2 – Name:	First Name	Middle Name	Last Name		
Is this individual deceased? ☐ YES ☐ NO		If Yes, Date of Death:	Year	Month	Day

If the Claimant is a TRUST:

Who is the Trustee?	Who are the beneficiaries?
Was any beneficiary, at any time, an Excluded Person? ☐ YES ☐ NO ***If Yes, the Claimant is not a class member and should not complete this Claim Form.***	

If the Claimant held the Shares in an RRSP or RRIF or LIF or RESP:

Describe the type of Account for these holdings: ☐ RRSP ☐ RRIF ☐ LIF ☐ RESP		
Plan Number:	Account Number:	
Social Insurance or other tax identification number:		
Name of Financial Institution where this Account/Plan is held:		
Address of Financial Institution Line 1:		
Address of Financial Institution Line 2:		
Address of Financial Institution continued:	City /Town:	Province /State
Address of Financial Institution continued:	Postal /Zip Code:	Country:
Contact Details for Financial Institution	Phone Number with Area Code	Fax Number with Area Code

PART 2 – Question 10 CONTINUED

If the Claimant is a CORPORATION:

Was any shareholder who held 10% or more of the corporation's shares, at any time, an Excluded Person? ☐ YES ☐ NO

If Yes, the Claimant is not a class member and should not complete this Claim Form.

If the Claimant is a PARTNERSHIP:

Was any partner, at any time, an Excluded Person? ☐ YES ☐ NO

If Yes, the Claimant is not a class member and should not complete this Claim Form.

PART 2 – Question 11

11 Each of the questions below use the term "Eligible Shares". Eligible Shares are Shares the Claimant purchased or acquired from August 30, 2010 to and including January 12, 2011.

A. Does the Claimant's right to assert this claim come from some other person or entity, for example, by transfer or assignment of the Eligible Shares? ☐ YES ☐ NO

If YES, provide details of these acquired rights in the space below, and submit documents evidencing these acquired rights with this Claim Form.

B. Did the Claimant make an assignment in bankruptcy after purchasing or acquiring the Eligible Shares? ☐ YES ☐ NO

If YES, provide details of the assignment including date of assignment, and name and address of trustee in the space below, and submit documents evidencing this assignment with this Claim Form.

Date of the Assignment:	Year	Month	Day

Name and address of the Trustee:

C. Was the Claimant's name at the time of the purchase or sale of the Eligible Shares, different from the Claimant's current name (as shown in Question 1 above)? ☐ YES ☐ NO

If YES, record the Claimant's name at the time of the purchase of these Shares in the space below

D. Was the Claimant's address at the time of the purchase or sale of the Eligible Shares, different from the Claimant's current address (as shown in Question 1 above)? ☐ YES ☐ NO

IF YES PROVIDE THE CLAIMANT'S ADDRESS AT THE TIME OF THE SHARE PURCHASES BELOW:

Address Line 1:	
Address Line 2:	
City /Town:	*Province /State:*
Postal/Zip Code:	*Country:*

PART 3 – CLAIMANT'S SHARE TRANSACTION DETAILS

12 Complete the four tables below with details of the Claimant's purchase and sale of Eligible Shares.

If there is insufficient space in a table to document the transactions in the period, please make one or more copies of the page to record the transactions, as necessary.

Table 1: Claimant's purchase and/or acquisition transactions of Alange Shares during the period August 30, 2010 to and including January 12, 2011

Trading Date			Number of Shares purchased or acquired	Purchase Price per Share	Total Purchase Price in Canadian dollars *including* brokerage fees or commissions
YR	MTH	DAY			

Table 2: Claimant's sale and/or disposition transactions of Alange Shares during the period August 30, 2010 to and including January 12, 2011

Trading Date			Number of Shares Disposed of or Sold	Sale Price Per Share	Total Sale Price in Canadian dollars *before* brokerage fees and/or commissions were paid
YR	MTH	DAY			

Table 3: Claimant's sale and/or disposition transactions of Alange Shares during the period January 13, 2011 to and including July 18, 2011

Trading Date			Number of Shares Disposed of or Sold	Sale Price Per Share	Total Sale Price in Canadian dollars *before* brokerage fees and/or commissions were paid
YR	MTH	DAY			

Table 4: Claimant's sale and/or disposition transactions of Alange Shares during the period July 19, 2011 to and including July 26, 2012

Trading Date			Number of Shares Disposed of or Sold	Sale Price Per Share	Total Sale Price in Canadian dollars *before* brokerage fees and/or commissions were paid
YR	MTH	DAY			

NOTE: Documents such as broker statements, evidencing each of the transactions in the above four tables and the holdings listed in the boxes on page one, must be submitted with this claim.

PAPER CLAIM FORM PART 4

Claimant Certifications:

By signing below, I certify that:

1. I am the Claimant or I have the authority to submit this claim on behalf of the Claimant.
2. The Claimant is not an Excluded Person.
3. The Claimant has not previously settled its claim in respect of the purchase, acquisition, sale and disposition of the Shares particularized in this claim.
4. The Claimant has not submitted and will not submit another claim seeking to recover for the purchase, acquisition, sale and disposition of Shares particularized in this claim.
5. The Claimant does not know of another claim being submitted to the Administrator for the purchase, acquisition, sale and disposition of Shares particularized in this claim.
6. The Claimant has disclosed all holdings, purchases, acquisitions, sales, dispositions, transfers, assignments and/or any other transmission of interest relevant to the Shares particularized in this claim.
7. The Claimant acknowledges and agrees that the Administrator may disclose all information provided in this Claim Form to the Ontario Superior Court of Justice and the lawyers for the parties in this class action.
8. By signing this Claim Form, the Claimant certifies that the information provided and the representations are true and correct, and are made as if sworn under oath.

Signature:			
Print Name:	**First**	**Middle**	**Surname**
Date Signed:	**Year**	**Month**	**Day**

If the person signing this Claim Form is not the Claimant, indicate below the relationship between the person signing this Claim Form and the Claimant.

☐ Signing Officer ☐ Partner ☐ Trustee ☐ Successor

☐ Agent ☐ Lawyer ☐ Other: Please specify _____

Provide the documents evidencing the authority to sign on behalf of the Claimant.

Complete the table below with full name, current address and contact information of the person who signed above (if different than the information provided in Question 2 of this Claim Form).

Name:	
Current Address: Address Line 1: Address Line 2: Address Line 3:	
City /Town:	*Province /State:*
Postal/Zip Code:	*Country:*
Contact Information: at least one of these must be provided	
Phone (AC) Number: ( )	*Fax (AC) Number: ( )*
Email Address:	

NOTE: In the space below, list all supporting documents that will be submitted with this Claim Form.
(If additional space is required, the list may be attached as a separate sheet)

ERIK POOLE et al.
Plaintiffs

-and-

PETROMAGDALENA ENERGY CORP. et al.
Defendants

Court File No. CV-11-16208

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT WINDSOR

ORDER

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600 - 251 Goyeau Street
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File Number: 11.180.000