



SINTANA
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SINTANA ENERGY INC.

ANNUAL INFORMATION FORM 51-101

**STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS
INFORMATION**

(For Fiscal Year Ended December 31, 2012)

Exploring a better way

A South America Focus

FORM 51-101 F1
STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION
SINTANA ENERGY INC.
For Fiscal Year Ended December 31, 2012

Terms for which a meaning is given in National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities have the same meaning in this form.

This statement of reserves data and other oil and gas information (the "Statement") is dated April 29, 2013. The effective date of the Statement is December 31, 2012. The preparation date of the Statement is April 29, 2013.

Cautionary Statement

In regards to the Prospective Resources there is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.

Furthermore, the Company nor any of its subsidiaries nor any of its officers or employees can confirm the analogous information provided on the area of interest, such as reserves, resources and production, from fields or wells, in nearby or geologically similar areas; was prepared by a qualified reserves evaluator or auditor or in accordance with COGE Handbook.

Note Regarding Forward-Looking Information

This NI 51-101 F1 contains forward-looking information. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases, or states that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking information involves known and unknown risks, uncertainties and other factors that might cause actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by the forward-looking information.

Examples of such information include: the Company's proposed exploration and development activities and methods for funding thereof, timing of development of resources, expectations regarding the ability of Sintana to raise additional capital and to add to resources through acquisitions, exploration and development, treatment under governmental regulatory regimes and tax laws, governmental and regulatory approvals, capital expenditures programs and the timing and methods of financing thereof and proposed acquisitions by the Company, exploration programs, development plans and status of assets, future growth and performance, and the ability of the Company to fund operating expenses for the twelve (12) month period ended December 31, 2013.

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking information contained in this NI 51-101 F1. Such forward-looking information is based on a number of assumptions that may prove to be incorrect, including, but not limited to: the ability of the Company to obtain necessary financing, manage risks, the economy generally, current and future stock prices, results of operations and exploration, development and production activities, fluctuations in oil and natural gas prices and market conditions, the extent of resources and future growth and performance, the regulatory and foreign environment, future capital and other expenditures (including the amount, nature and sources of funding thereof), uncertainty of resource estimates, the availability of necessary exploration and development equipment, competitive advantages, fluctuations in foreign currency exchange rates, property title and investments in oil and natural gas properties, business prospects and opportunities, transportation and construction delays,

failure of plant, equipment or processes to operate as anticipated, accidents, labour disputes and other risks of the oil and natural gas industry, political instability, arbitrary changes in law, delays in obtaining governmental or regulatory approvals or failure to obtain such approvals and unanticipated costs. The factors identified above are not intended to represent a complete list of the factors that could affect the Company.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results, performance or achievement may vary materially from those expressed or implied by the forward-looking information contained in this NI 51-101 F1. These risk factors should be carefully considered and readers are cautioned not to place undue reliance on forward-looking information, which speak only as of the date of this NI 51-101 F1. All subsequent forward-looking information attributable to the Company herein is expressly qualified in its entirety by the cautionary statements contained in or referred to herein. The Company does not undertake any obligation to release publicly any revisions to this forward-looking information to reflect events or circumstances that occur after the date of this NI 51-101 F1 or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

Part 2 to Part 5: Disclosure of Reserves Data

As at December 31, 2012, Sintana Energy Inc. (“Sintana” or the “Company”) has no oil or natural gas reserves and hence no related future net revenue. Consequently, the Company did not engage an independent evaluator to review its reserves or associated future net revenues for the period ending December 31, 2012.

Part 6: Other Oil and Gas Information

6.1 Oil and Gas Properties and Wells

The Company does not currently have any properties, plants, facilities or installations, other than onshore oil and gas exploration license blocks (“Blocks”) in Colombia and Peru.

6.2 Properties with No Attributed Reserves

Statistical Summary for Sintana's eight (8) exploration blocks:

Asset Summary				
Basin / Block	Operator	Gross Acres ('000)	Sintana Net	
			Participation Interest	Acres ('000)
Colombia				
<u>Middle Magdalena</u>				
VMM-37 Unconventional	Exxon	43	30%	12
VMM-37 Conventional	Sintana	n/a	100%	n/a
		<u>43</u>		<u>12</u>
VMM-4	LOH Energy	155	25%	39
VMM-15	LOH Energy	60	25%	15
		258		66
<u>Upper Magdalena</u>				
Talora	Petrodorado	59	30%	18
COR-39	Canacol	95	30%	29
COR-11	Canacol	177	30%	53
		331		100
<u>Llanos Basin</u>				
LLA-18		112	25%	28
		112		28
Total Colombia		701		194
Peru				
<u>Sechura Basin</u>				
Bayovar	Faulkner	175	25%	44
Total Peru		175		44
Total		876		238

Middle Magdalena Basin (Primary sources: ANH – Colombian Sedimentary Basins – 2009 and Petrotech Engineering Report for Sintana Energy Inc. – July 31, 2012)

The Middle Magdalena Basin is one of the most explored basins of Colombia with discoveries mainly in the Paleocene section. A century of exploration history in the basin has led to the discovery of approximately 1,900 MMBO, 2.5 Tcf of natural gas and a total of 41 fields, including Colombia's first field, La Cira-Infantas, with well over 900 MMBO of recoverable reserves to date and still under production. The thick Cretaceous section of 4,000 to over 8,000 feet has long been recognized as one of the world's most important source rocks but the absence of conventional reservoirs has discouraged exploration. With the advent of the unconventional plays, this outlook has all changed in that these

same kerogen-rich intervals appear to be ideal for unconventional potential. The outlook thus far is very favourable for an unconventional play given what could be considered an extremely favourable unconventional "check list" of positive parameters as understood from areas where the unconventional plays are already well established. The ample thickness of these Cretaceous TOC-rich and high resistivity units, the multi-stacked nature of these formations, the ideal liquid HC phases (medium to high API gravities and gas condensates), the moderate overpressure for high recovery factors (.6-8 psi/ft gradient) and in many areas the presence of relatively high porosities that verge on the porosities found in conventional reservoirs. Thus the Middle Magdalena Cretaceous section was largely ignored for decades (early 1900's to present) due to the lack of conventional reservoirs, but it is now attracting considerable attention, including from the majors because it appears to contain all of the elements of a high quality unconventional play. On a worldwide inventory basis, the Middle Magdalena basin appears to contain one of the most prolific areas of this type yet to be explored.

The basin has a poly-phase deformation history, beginning most notably with rift and sag sedimentary sequences, evolving into a foundered Foreland Basin and ending as an intermontane basin with two 5,000 meter Cordilleras to either side, the Central Cordillera to the west and the Eastern Cordillera to the east. The Central Cordillera margin is characterized by a regional monocline broken into a series of normal faults, some of which help form large heavy oil fields. The Eastern Cordillera margin is characterized by relatively young thrust faults which can form large anticline structures in the overthrust (hangingwall position) and subthrust structural traps in the footwall position. The exploration history of the basin has been mainly directed towards the identification of structural traps in the Tertiary sequences. Subtle stratigraphic traps have not yet been adequately studied in the basin. The sedimentary record shows a succession of continental Jurassic deposits underlying portions of the basin, some perhaps in half-grabens. The earliest widespread sedimentary sequences overlie the Jurassic and consist of predominantly marine Cretaceous sediments, both calcareous and siliciclastic in composition. The Palaeocene sequence overlies the Cretaceous and is made up of siliciclastic rocks deposited mainly under continental conditions with some marine influence. Three major deformational phases are present in the basin, which are responsible for all three types of trap geometries: rifting, thrusting and wrenching.

Cretaceous limestones and shales of the La Luna formation have long been recognized as the main source rock in the basin. Key portions of this source rock were deposited during two worldwide anoxic events.

The Eocene unconformity overlying the Cretaceous separates the primary conventional reservoir above from the underlying active source rock, forming an ideal plumbing system for the migration of petroleum.

Ninety-seven percent of the proven oil in the basin has been produced from continental Palaeocene sandstones (Palaeocene-Miocene), the Lisama, the Esmeraldas-La Paz and the Colorado-Mugrosa formations with average porosities of 15% to 20% and average permeabilities of 20 to 600 (MD). The Basal Limestone Group at the bottom of the Cretaceous section and the La Luna Formation in the middle Cretaceous have been very lightly explored and are considered to contain very large hydrocarbon potential via fractured tight oil and unconventional plays. The seals of Paleocene sandstone reservoirs consist of interbedded, non-marine, ductile claystones, mainly from the Esmeraldas and Colorado formations. The seals for potential Cretaceous limestone reservoirs are marine shales of the Simiti and Umir formations and in some areas, units within the La Luna itself.

VMM-37 Block (Sintana Conventional – 100% participation interest; Unconventional – 30% participation interest - carried)

On March 1, 2011, the ANH awarded 100% of the Hydrocarbon Exploration and Production Contract for the VMM-37 Block (the “Contract”) to Patriot Energy Services LLC Corp. (“Patriot”) through its wholly owned branch Patriot Energy Sucursal Colombia.

On March 24, 2011, ColCan Energy Corp. (“ColCan”) entered into an asset purchase agreement with Patriot to acquire a 70% private participation interest in the Valle Medio Magdalena 37 Block (“VMM-37”). Effective the same day, a side letter agreement was reached, which increased the private participation interest acquired by ColCan to 75%. On April 11, 2011, ColCan entered into a second side letter, whereby it acquired the remaining 25% private participation interest from Patriot. Subsequently, a reorganization occurred in Panama where Patriot Energy was a newly organized spin-out entity that maintained ownership of the Colombian branch, Patriot Energy Sucursal Colombia, holder of the VMM-37 licence.

On April 3, 2013, the ANH approved a Contract amendment that allows Patriot Energy to assign 70% of the participating interest, rights and obligations and the operation of the Contract to Exxon for the exploration and development of unconventional oil and gas resources underlying the VMM-37 Block.

Patriot Energy retains the remaining 30% participating interest in the unconventional resources as well as its 100% participation interest in the conventional resources overlying the top of the unconventional interval.

Consideration:

- Exxon will pay a consideration of USD\$7,500,000 in the following installments; (i) USD\$3,750,000 (paid) within ten (10) days of the effective date of the Agreement, and (ii) USD\$3,750,000 within ten (10) days of receipt of the ANH approval.

Work program:

- Exxon will pay 100% of all Exploration Phase I well costs (3 wells). The estimated timing for the commencement of drilling operations on the first exploration well is the third quarter of 2013. Consideration will also be paid that will compensate Sintana for its past expenses connected with the block.
- Exxon will have an option to proceed to the next phase. In this development phase, it will have the option to pay 100% of all additional costs to a maximum of US\$45 million, of which US\$10 million will be recouped by Exxon from 50% of Patriot’s production proceeds.
- As agreed by Patriot Energy and Exxon, as joint participants in the VMM-37 Block, good faith efforts will be made to locate exploration wells targeting the unconventional play in such a way as to also test conventional prospects.
- At various stages of the work program, as defined in the Agreement, Exxon will have the right to the withdraw from the project, relinquish operatorship and reassign to Patriot the right to the 70% participation interest it would have retained had it met all investments and activities requirements of the Agreement.

Supplemental Investment Capital:

- In the event that exploration and development of the unconventional resources continue beyond the activities and costs enumerated above, those costs will be shared based on the parties participating interests.

- Further exploration and subsequent development plans for the unconventional and conventional formations will be decided on once technical data obtained from drilling the deeper unconventional play, and other sources, are analyzed.

Warranties:

- The ANH requires that operators provide secured performance warranties for various phases of the contractual Work Program. Sintana currently has in place letter of credit in satisfaction of this requirement. Exxon assumed responsibility for providing these warranties resulting in the release of restricted Sintana funds.

The contractual work program consists of three (3) exploration wells in Phase I and two (2) exploration wells in Phase II for a total of five (5) wells, plus 50 km of 2D seismic which the partner will likely change to approximately 180 km² of 3D seismic for full block coverage.

The following description of the VMM-37 Block is derived from the Report. Readers should consult the Report to obtain further particulars regarding the VMM-37 Block. The full text of the Report is available for review on the SEDAR website located at www.sedar.com under the Company's profile. Readers are cautioned that the summary of technical information in this MD&A should be read in the context of the qualifying statements, procedures and accompanying discussion within the complete Report and the summary provided herein is qualified in its entirety by the Report.

On November 20, 2012, Sintana announced the results of an independent, National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities (“NI 51-101”) compliant resource evaluation report (the “Report”) prepared by Petrotech Engineering Ltd. (“Petrotech”) a qualified reserves evaluator. The Report titled “Evaluation Of The Interests of Sintana Energy Inc. in the VMM-37 Block in the Middle Magdalena Valley Basin Colombia” dated November 16, 2012 provides conventional and unconventional prospective resources on VMM-37.

For the conventional formation (Lisama) on the Block, in which Patriot Energy has a 100% private participation interest, Petrotech calculated a P50 best estimate effective July 31, 2012 of prospective recoverable resources of 51 million barrels of oil.

As to the unconventional zones of interest, Petrotech has assigned a P50 best estimate effective July 31, 2012 of prospective recoverable resources of 700 million barrels of oil.

The P50 best estimate before royalties for Patriot Energy's remaining 30% interest in the unconventional formations is a prospective recoverable resource of 210 million barrels of oil.

Unrisked Prospective Resources in the Lisama, Tablazo, Salada and Galembo Formations

Estimate	Conventional Oil Resources			Unconventional Oil Resources			Before Tax NPV @					
	100%	Gross	Net	100%	Gross	Net	0%	5%	10%	15%	20%	
	MMbbl	MMbbl	MMbbl	MMbbl	MMbbl	MMbbl	MM\$	MM\$	MM\$	MM\$	MM\$	
Low Case:												
Lisama	7.7	7.7	7	-	-	-	115.3	87.9	66.8	50.3	37.3	
Tablazo	-	-	-	33.7	16.9	15.5	-538.0	-401.9	-308.9	-243.7	-196.7	
Salada	-	-	-	66.9	20.1	18.4	587.0	356.2	226.1	149.3	102.0	
Galembo	-	-	-	66.9	20.1	18.4	550.4	281.1	151.2	85.2	49.9	
Total Low	7.7	7.7	7	167.6	57	52.3	714.8	323.2	135.1	41.1	-7.5	
Best Case:												
Lisama	50.5	50.5	45.9	-	-	-	1,861.3	1,490.8	1,211.1	996.4	828.9	
Tablazo	-	-	-	121.9	36.6	33	429.4	206.3	98.4	44.2	15.9	
Salada	-	-	-	289.2	86.7	77.8	3,707.1	2,076.6	1,239.0	780.6	514.8	
Galembo	-	-	-	289.2	86.7	80.6	4,014.9	1,869.0	934.8	497.7	279.4	
Total Best	50.5	50.5	45.9	700.2	210.1	191.4	10,012.6	5,642.8	3,483.4	2,318.8	1,638.9	
High Case:												
Lisama	167.7	167.7	149.5	-	-	-	7,175.2	5,499.9	4,304.0	3,430.9	2,779.3	
Tablazo	-	-	-	374.5	112.4	96.3	3,182.1	1,965.2	1,293.8	899.3	653.5	
Salada	-	-	-	687.8	206.3	178	9,302.2	5,006.8	2,890.6	1,772.7	1,143.7	
Galembo	-	-	-	687.8	206.3	178	9,765.2	4,327.7	2,075.5	1,065.5	579.2	
Total High	167.7	167.7	149.5	1,750.20	525	452.3	29,424.6	16,799.7	10,564.0	7,168.3	5,155.6	

Notes:

1) The Lisama Formation is conventional resources and the Tablazo, Salada and Galembo Formations are considered as unconventional resources.

2) Each formation is assumed to receive commerciality individually.

This evaluation uses the definition of resources and follows the guidelines from the Canadian Oil and Gas Evaluation (COGE) Handbook. From geophysical and well data available at this time, three prospects have been identified in the VMM 37 Block in the Lisama, Galembo, Salada and Tablazo Formations. The evaluation above provides the unrisked prospective resources (prospects) in the Lisama, Galembo, Salada and Tablazo Formations. The Galembo, Salada, and Tablazo resources are considered as unconventional.

Definition of Prospective Resources

Prospective Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both an associated chance of discovery and a chance of development. Prospective Resources are further subdivided in accordance with the level of certainty associated with recoverable estimates, assuming their discovery and development, and may be sub-classified based on project maturity. Not all exploration projects will result in discoveries. The chance that an exploration project will result in the discovery of petroleum is referred to as the chance of discovery. Thus, for an undiscovered accumulation, the chance of commerciality is the product of two risk components - the chance of discovery and the chance of development.

VMM-4 Block, Colombia (Sintana – 25% participation interest - carried)

The VMM-4 Block is located on the extreme east side of the Middle Magdalena Basin, where the basin ends against the Eastern Cordillera with its major mainly strike-slip fault-systems and rugged highlands. The VMM-4 Block consists of an area of 62,690.3 hectares and is part of three municipalities, Rio de Oro, San Martin, and San Alberto. This area was part of larger exploration blocks over the past years, for example when the area was explored by Texaco in the 1960s when the Torcoroma wells were drilled and then by Pluspetrol (in the 1990s) in a large block named Torcoroma.

- The VMM-4 Block is from the 2008 Bid Round.
- The Exploration & Production (“E&P”) contract for the VMM-4 Block, dated March 10, 2009, was awarded to Golden Oil Corp. (“Golden Oil”) by the ANH. Production is subject to the standard sliding scale of the ANH royalty rates and an additional 7% that was offered by Golden Oil in its X-factor bid.
- On June 17, 2010, as decreed by the ANH in Resolution #220, the VMM-4 contract was transferred from Golden Oil to LOH Energy Sucursal Colombia (“LOH”).
- On September 29, 2010 in a private participation agreement between APO Energy Ltd. (“APO-Barbados”), a wholly-owned indirect subsidiary of P1 Energy Corporation (“P1”) and LOH, P1 obtained a 75% participation interest in the VMM-4 Block and became the operator.
- Subsequently, ColCan acquired a 25% participation interest from LOH with a 25% carry.
- On April 25, 2012 Sintana and Colcan closed on a previously announced \$11-million financing of Colcan's subscription receipts that were announced on April 10, 2012, following an agreement to combine companies as was announced on March 13, 2012.
- As such Sintana has a 25% work program carry on VMM-4 via its amalgamation with Colcan.

Work Program:

The original bid offer to win the block award consisted of the mandatory “minimum work program” for Phase I:

- Drill 1 A3 well
- 125.4 km 2D seismic

Plus what the bidders chose to bid in the “additional work program” for Phase I (as a means to win the bid):

- 170 km 2D seismic

Total VMM-4 Work Program:

- Drill 1 A3 well in Phase I
- 125.4 + 170 km = 295.4 km 2D seismic
- Company has option to convert this 2D to 3D using an ANH standard conversion factor of 1.6x (or x 0.625)
- 295.4 km 2D / 1.6X ANH conversion factor = **184.625 km² 3D seismic**

The partnership is to acquire, process and interpret as a minimum the seismic stipulated by the ANH in the minimum program which was 125.4 km 2D plus the seismic offered by Golden in the additional work program as part of their bid offer, which was 170 km 2D for a total of 295.4 km of 2D seismic. The ANH typically allows for a conversion of the 2D seismic to 3D seismic with an ANH standard conversion factor of 1.6X. Converting 295.4 km 2D seismic to 3D seismic with a conversion factor of 1.6 results in 184.625 square kilometers of 3D seismic. In working out the design details of this 3D seismic survey, in large measure due to some seismic data acquisition activities falling outside of the VMM-4 Block (for proper subsurface coverage), the final 3D survey size is 206.7 km of 3D seismic. In addition to the seismic, the partnership is obligated to drill 1 exploration well in Phase I and one exploration well in Phase II.

Sintana is carried for the costs for the seismic program and the Phase I exploration well.

The work program is ongoing.

VMM-15 Block, Colombia (Sintana – 20% participation interest - carried)

The E&P contract for the VMM-15 Block dated March 10, 2009 was awarded to Golden Oil by the ANH. Production is subject to the standard sliding scale of the ANH royalty rates and an additional X% which is 7% for this block. On June 17, 2010, by way of Resolution #219 from the ANH, the transfer of ownership of this block was made to LOH.

The VMM-15 Block has an area of 24,089 hectares in the municipalities Guaduas, and Puerto Salgar in the Department of Cundinamarca; Honda in the Department of Tolima, and La Dorada; and Victoria, in the Department of Caldas. It is located on the far southwest side of the Middle Magdalena Basin.

- The VMM-15 Block is from the 2008 Bid Round.
- The E&P contract for the VMM-15 Block, dated March 10, 2009, was awarded to Golden Oil by the ANH. Production is subject to the standard sliding scale of the ANH royalty rates and an additional 7% that was offered by Golden Oil in its X-factor bid.
- On June 17, 2010, as decreed by the ANH in Resolutions #219, the VMM-15 contract was transferred from Golden Oil to LOH.
- On September 29, 2010, in a private participation agreement between APO-Barbados, a wholly-owned indirect subsidiary of P1 and LOH, P1 obtained a 75% participation interest in the VMM-15 Block and became operator.
- Subsequently, ColCan acquired a 25% participation interest from LOH with a 25% carry.

- On April 25, 2012 Sintana and ColCan closed on a previously announced \$11-million Financing of ColCan's subscription receipts that were announced on April 10, 2012, following an agreement to combine companies as was announced on March 13, 2012.
- As such, Sintana has a 25% work program carry on VMM-15 via its amalgamation with ColCan

Total VMM-15 Work Program:

- 48.2 km of 2D seismic.
- Drill 2 XA3 wells.
- 200 km of 2D seismic.
- Drill 1 XA3 well.

Exploration Program

Acquire process and interpret 248 km of 2D seismic. Drill two (2) exploration wells in Phase I and one (1) exploration well in Phase II. Note Sintana is carried for the 2D seismic program and two of the three exploration wells via its amalgamation with Colcan.

Progress has been made by the operator, LOH, on preparing the EIA and PMAs in order to obtain the environmental license, and the approvals to shoot seismic and to drill wells. LOH reports that the same environmental team that made excellent progress on the VMM-4 environmental licensing work is now working on the same for VMM-15.

In addition it should be noted that a third partner has come into the VMM-15 block: Alpha Drilling & Exploration.

The work program is ongoing.

Upper-Middle Magdalena Basin, Transition Area, Colombia

There are four field areas surrounding Sintana's acreage in what can be referred to as the Upper-Middle Magdalena Transition Area. Management estimates, based on prior work experience and frequent communications with other industry participants, that recoverable reserves in the Guando Field are approximately 120 MMBO, that peak production was greater than 30,000 BOPD and is currently producing in a range around 20,000 BOPD. These field areas stake out a rough rectangle around Sintana's two (2) main blocks, Talora and COR-39. COR-11 is located further to the SE, within in its own transition area between the Upper Magdalena Basin and the Eastern Cordillera in a frontier wildcat area, fairly high up in the mountains. These four fields are:

- Guando Field discovered in 2000
- Toqui-Toqui Field discovered in 1986
- Puli Field discovered in 1991
- Abanico Field ("Main") discovered in 1999

This field is 25 km to the southeast of Talora and is one of the most important Upper Magdalena basin fields. This field, which was discovered by Petrobras and Nexen Inc. in 2000 (from the Lasmo prospect inventory acquired in 1998), is one of the most notable fields in Colombia due to its shallow position, the excellent thick Cretaceous Guadalupe reservoir with over 1,000 feet net sandstone and a world-class hydrocarbon column of over 2,100 feet. The good quality medium-gravity oil is surprising for such a shallow field, especially since the field has low reservoir pressure. The shallow position of such

a large field and its proximity to infrastructure in the Magdalena Valley and the nearby Bogotá metro area, about 60 km to the east, gives the field considerable commercial advantage. The key to success in low-pressure fields such as Guando is to maintain reasonable reservoir pressures and efficient water flooding programs as long as possible.

When one zooms into the individual areas, it becomes clear that there may be additional clues as to how even more oil and gas potential may have been overlooked. Nine wells have been drilled in the immediate Talora area since 1921. Closer inspection, however, reveals that these wells are located on the edges of the main structures and mainly along the faults rather than on the anticlines between the faults. It is also important to note that none of these wells has yet reached the Cretaceous Caballos reservoir. Sintana has often urged the operator to be prepared for both conventional fractured sandstone and unconventional shales and carbonates. The commercial outlook is excellent due to the proximity of infrastructure in the well-developed Bogotá/Sabana region where both natural gas and oil are commercially viable.

It is important to point out that the best-known reservoirs in this “Upper-Middle Magdalena Transition Area,” are stratigraphically situated in the upper Cretaceous section. Unfortunately, large areas have been eroded and stripped of this upper Cretaceous section due to uplift, incision and erosion. In the Talora area, as is true in much of the transitional area between the Upper and Middle Magdalena basins, the lower Cretaceous is often considered to be “*shaley*” even though it is largely unknown or very poorly understood. In some areas – in particular to the NE – the lower Cretaceous is thought to be dominated by shales, marls and poorly developed limestones (<20 kms away are the shaley Chawina wells). In other areas – for example toward the SW – the lower Cretaceous is dominated by hundreds of feet of hard sandstones and conglomerates as observed in the Raspe-1 and Lucha-1 wells (~20 kms SW of Talora). Across the entire area, closer inspection reveals a widespread lack of trap in the features that have been drilled over the years.

It is in part due to these widespread perceptions in the industry that Sintana chose this “Upper-Middle Magdalena Transition Area,” as a strategic focus area because some of these risks are quite real, there are also several overlapping favorable conditions that one might suggest lead to the opposite conclusion often held by the industry. There are 4 main strategic reasons:

(1) Reserve Scale: Avoids the “Reserve Treadmill”

In the opinion of management, this area has world-class oil charge volume as well as very thick net reservoir. These world-class characteristics provide the large reserve scale observed in the nearby Guando Field. The upper Cretaceous reservoir in Guando (Guadalupe) has over 2,000 feet gross and around 1,000 feet net. The disadvantage in Talora is that this upper Cretaceous section has been eroded and has mainly the upper and middle Cretaceous section exposed at the surface. Thus the reservoir section in Talora must depend on the middle and lower Cretaceous. As stated above, Sintana’s view is that this Upper-Middle Magdalena transition area has more conventional sandstone reservoirs hidden in the undrilled Cretaceous sequences, likely representing progressively greater water depths in the northward direction. Though the age of the reservoir unit may vary from field to field and prospect to prospect, it is extremely important to note that these Cretaceous transitional sequences might provide 100s of feet of net reservoir. This reserve scale in Sintana’s Upper-Middle Magdalena transition area provides a very important exploration element in Sintana’s strategy and that is to avoid the reserve treadmill. This is a common vicious circle that is difficult to break in which companies find themselves in a state of constant reserve depletion due to the small size of their discoveries.

(2) Underexplored Conventional Sandstone Reservoirs: *Additional Conventional Upside*

Sintana's view is that this transitional area is underexplored and that there are large sections of conventional sandstone reservoirs hidden in the undrilled Cretaceous sequences of this Upper-Middle Magdalena transition area. Due to the thickness of some of these conventional reservoirs and the large hydrocarbon volumes native to this area, the conventional play has considerable long-term upside and reserve scale, much more than is generally recognized.

(3) New Unconventional Play: *Significant New Unconventional Reserves*

There is increasing evidence being collected and compiled for the unconventional plays in the Upper-Middle Magdalena transition area. The La Luna and the Simiti-Tablazo formations are the main source rocks in the basin. Therefore, they are the main unconventional targets. The basin is highly charged with geochemical characteristics of the Cretaceous section which are being analyzed with very encouraging source rock characteristics, including the fact that some are within the present-day oil window, even at relatively shallow depths (e.g. 3,000-6,000 feet). If these source-prone sections are proven to be viable unconventional reservoirs, they may provide significant reserve scale. (Petrotech Engineering Report for Sintana Energy Inc. – July 31, 2012)

(4) Less Competitive Area, but Excellent Infrastructure & Proximity to Market: *Under the Radar*

Finally, despite its close proximity to the full range of infrastructure, the country's main oil and gas pipelines and Bogotá as one of the major growing industrial centers, this Upper-Middle Magdalena transition area is not nearly as competitive or "over-sold" as some of Colombia's other basins. For example, many of the active portions of the Llanos basin are extremely competitive within the industry and yet they are known to have small reserve size, they are often isolated by great distances without infrastructure and overall, the Llanos' new discoveries lack access to pipelines and even face serious trucking challenges. In great contrast, the Upper-Middle Magdalena area faces none of these problematic issues. The Upper-Middle Magdalena transition area is in one of the most ideal locations with respect to natural gas commercialization. Due to the proximity of the pipelines and the nearby facilities, oil development in this mature Magdalena area results in low development costs.

Talora Block, Colombia (Sintana – 30% participation interest)

On August 17, 2011, the Company announced that Sintana Energy Inc. Sucursal Colombia had entered into an agreement with Petrodorado Energy Ltd. ("Petrodorado") to farm-in to an undivided 30% private participation interest in the 108,336-acre Talora Block located in Colombia's oil prolific Magdalena Basin. The block was subsequently reduced to 58,812 acres through the normal contract relinquishment schedule (September 2011). The Talora Block, which is operated by Petrodorado, is immediately adjacent to the region's main oil and natural gas pipelines and only 60 kilometres west of the capital city of Bogotá. Sintana's first well on Talora, Dorados-1X commenced drilling on July 31, 2012.

The original planned total depth for the well by the operator Petrodorado was 9,500 feet (MD, Measured Depth) with the Cretaceous Caballos and Tetuan (Albian/Aptian) formations being the primary objectives. While drilling in the Cretaceous Cenomanian section above these objectives, the well encountered a younger and exceptionally thick sand-prone sequence which had never previously been reported in the basin. This sand-prone section, currently named the Dorados Sands, was encountered from about 5,160 feet (MD) to below 7,000 feet, or around 1,850 feet thick (gross). While drilling, this section (5,160 to 6,035 feet) yielded excellent wet gas and oil shows as measured by both Gas Chromatography and Mass Spectroscopy. The economic basement was reached much higher than the prognosis at 7,282 feet (MD), without seeing the Tetuan or Caballos formations and as such,

the partnership decided to terminate drilling operations at this depth on September 29, 2012 with the forward plan to log and then production test the extensive Dorados Sands.

Due to deteriorating hole conditions, tool sticking and high levels of mud invasion (seven (7) lost circulation events) it was operationally impossible to run an adequate logging program. With limited data, however, it was noted that the targeted reservoir section coincides with the highest log resistivities (through casing logs), including zones with fair to good porosities (e.g. 15%). All these indicators, log resistivities, oil shows, hydrocarbon components (C1 through C9), hydrocarbon ratios, helium and other trace element relationships are consistent with a thick hydrocarbon column. In addition, and very importantly, all these indicators terminate abruptly, still within the sand-prone section, at around 6,030 to 6,050 feet (as stated above), forming compelling evidence of a basal water contact with a hydrocarbon column above.

In mid-November, 2012 a program to flow test up to six (6) sandstone intervals was initiated with a completion and testing rig. Due to significant formation damage which occurred during drilling operations, only a limited amount of additional reservoir data was obtained. The test results confirmed that the sand section is a low-pressure reservoir system and that oil has been emulsified. Geochemical lab analysis from production tests proved that this emulsion contains viable medium gravity crude oil with 20° API. This provides incontrovertible evidence regarding the severity of the mud invasion and a valid reason as to why certain sandstone intervals with good porosities did not flow during testing. It is important to note that these low-pressure reservoirs are common in this part of the Basin, including the Guando Field.

Despite the formation damage incurred in the wellbore, the underlying conclusion is very encouraging. The Farm-in partners have concluded that a new undamaged wellbore is needed (sidetrack or twin well) to further evaluate the Dorados structure, a large thrust anticline in which the Dorados-1X well data now reveals this new thick sandstone reservoir with significant recoverable hydrocarbons potential. Seismic mapping yields structural closure, 4-way and 3-way closure against the main thrust fault, in the range of 2,900 to possibly over 8,000 acres with estimated net reservoir thickness based on limited data in the range of 200 feet and possibly much greater.

The Talora Block straddles the boundary between the Upper and Middle Magdalena Basins and is flanked by Middle Magdalena oil fields to the north and Upper Magdalena oil fields to the south. In the Cretaceous this area represents the transition between the Upper Magdalena's long-known prolific conventional sandstone reservoirs to the south and the very recent excitement over an increasingly compelling unconventional section in the Middle Magdalena Basin to the north. Sintana Energy's technical strategy is to have, in addition to acreage within the northern unconventional acreage (e.g. VMM-37), to establish a focus area in this transition area between the Upper and Middle Magdalena basins with the concept that there are attractive prospects in both the conventional and unconventional sections. Sintana's view is that there are more conventional sandstone reservoirs in this transition area within the undrilled Cretaceous sequences than the industry has recognized to date, sequences which likely contain the range of depositional clastic environments in a northward direction as Cretaceous water depths generally increase, from fluvial to paralic to marine. Conversely, although the unconventional play-types are now being investigated in Colombia's northern and central Middle Magdalena and Eastern Cordillera basins, the industry has largely ignored the transition area between the Upper and Middle Magdalena. This transition area has long been recognized for its oil seeps and rich source rocks, often at shallow depths. Only recently have companies begun to view these hydrocarbon-rich sections as potential unconventional reservoirs. In fact it is possible that both conventional and unconventional reservoirs will be found in the same wellbores.

Verdal-1 (2010)

The prior well, Verdal-1, was drilled by the current operator Petrodorado in 2010. It was the first well to target one of the two main thrust anticlines located near the center of the Talora Block. The Verdal-1 was forced to cease drilling and was abandoned while drilling the shale, limestone and marl of the Tetuan Formation due to well control problems, including significant quantities of gas coming from the Tetuan Formation. The well depth was estimated to be only a few hundred feet above the main Caballos reservoir target. Drill stem test attempts in the Tetuan failed due to insufficient stimulation or possibly that the tests indicated a limited gas volume in the Tetuan. Ultimately, the Verdal-1 test results were considered inconclusive. However, the well was declared a technical gas discovery by the ANH in the gas-charged Cretaceous Tetuan formation. The Verdal-1 well revealed important new information about stratigraphy and the hydrocarbon content of the Cretaceous units in these thrust anticlines, including that the main Cretaceous Caballos reservoir may be deeper than originally thought in the Verdal structure.

Talora Work Program – 2-Year Appraisal & Exploratory Extensions

The Talora E&P contract began in 2004, in the year following the start of the ANH and its new function as the administrator of Colombia's oil and gas contracts. The Talora contract had the typical 6-year exploration term and thus 2010, the year in which the Verdal-1 was drilled, was the final exploration year. Given fulfillment of the contractual work program and an adequate indication of a new hydrocarbon resource, these E&P contracts allow for 2-year contract extensions beyond the normal 6-year exploration term in which the partnership has additional time to prove up a commercial project. This additional time consists of 2-year extensions, typically in exchange for drilling a well, performing other work program activities and/or making partial acreage relinquishments, all subject to approval by the ANH. By approval of the ANH, the Verdal-1 well was formally declared a technical gas discovery on January 17, 2011, thereby providing the Talora partnership with the option of an extension in exchange for a defined ANH-approved work program. The current extension expires in September 2013. In addition, with the encouraging technical information gathered from the Verdal-1 well, the partnership was also interested in committing additional exploratory work program to test a separate structure adjacent to Verdal, referred to as the Dorados structure. This extension would also end in January 2013. Due to the likely need for an appraisal well following an exploratory well, an exploratory program has the option of a second 2-year extension. Thus by agreement between the ANH and the Talora partnership, the current Talora work program is based upon two 2-year drilling and evaluation programs running in parallel with the option to add another 2-year period. The first is based upon drilling a follow-up appraisal well to the 2010 Verdal-1 exploratory well and proving up a commercial Verdal project within a 2-year period. In tandem the partnership may also work at proving up the Dorados exploratory project within the adjacent undrilled Dorados structure.

The Verdal-1 (2010) technical gas discovery provided the initial contractual basis for the current 2-year extensions for the Talora partnership. It is in these extension phases that Sintana began to participate in the Talora contract. The advantage of participating in these extension periods is that it consists of near term drilling activities, which Sintana's analysis suggests have reasonable probabilities to be high impact in terms of reserves, time to market and the equally commercial outlook of both oil and natural gas.

The phase of the hydrocarbons may change with depth and by geologic formation. Thus there could be a fairly complex interaction of multiple source rocks, episodes of expulsion and migration in order to explain dry gas in the Tetuan formation (Verdal-1), possible natural gas and light oil zones in the Dorados Sandstones younger than the Tetuan, gas-condensate in the younger shale unit above the Dorados Sandstones (possible 500-foot unconventional section) and the presence of the well-known

Guataqui Oil Seeps which flow to surface, apparently along the prospect's main thrust fault (current API gravity may be in the teens while the original oil at depth may be 30° and lighter).

The Verdal-1 and the Dorados-1X wells demonstrate evidence for effective anticlinal traps, the presence of both oil and natural gas and the presence of potential reservoirs which may be conventional, unconventional or both.

Talora Contract Extensions:

- Talora E&P Contract: 2004 to 2010, normal 6-year exploration period.
- Final well drilled in 2010: Verdal-1 which resulted in gas-charged Tetuan Fm .
- Declaration of **Verdal-1** as a **technical gas discovery** with the ANH – **January 17, 2011**;
 - 2-year extension granted by the ANH and recently extended to September 2013.
 - Requires drilling Appraisal Well on the Verdal structure.
- Partnership also filed for an **exploration extension** of the Dorados structure, adjacent to Verdal:
 - 2-year extension granted by the ANH (see below).
 - Requires drilling exploration well on the Dorados structure.
 - Option for a second 2-year extension (see below).
- **Mandatory 50% Relinquishment** – Sep. 15, 2011: 108,336 acres reduced to **58,812** acres
- **Exploration Extensions** – decision on April 19, 2011:
 - Phase I: 2 years, ending January 19, 2013: Drill 1 A3* well. Recently extended through July 2013.
 - Phase II: 2 years, ending January 19, 2015: Drill 1 A3* well + 50% Relinquishment.
 - Dorados-1X drilled, tested and temporarily abandoned.
 - 2nd Dorados well may be drilled as soon as possible, before Jan. 19, 2015.

*[*A3 Well = rank exploration well; A2 = appraisal; A1 = development well.]*

COR-39 and COR-11 Blocks, Colombia (Sintana – 30% participation interests)

On September 15, 2011, the Company announced that it had entered into an agreement with Canacol Energy Colombia S.A. ("Canacol"), (a subsidiary of Canacol Energy Ltd.) to farm-in to undivided 30% private participation interests in the COR-11 and COR-39 Blocks in the Guando trend of Colombia's Upper Magdalena Basin.

COR-39 and COR-11 are 60 km apart (north-south direction) on either side of Guando: COR-39 is 20 kms to the north and COR-11 is 40 km to the south. The COR-39 and COR-11 Blocks were awarded to Canacol in Colombia's 2010 bid round and have positive contract terms and minimal X-factors of only 1% each. These blocks represent sizeable exploration tracts, consisting of 95,106 and 176,915 acres, respectively, for a total of 272,021 acres (1,100 km²). The blocks are located 50 and 90 km, respectively, southwest of the capital city of Bogotá and are close to established infrastructure and local markets. COR-39 is immediately adjacent and south of the Talora Block, the Company's initial acquisition in Colombia.

Sintana's approach is to establish a series of contiguous blocks along specific play fairways in order to systematically explore and produce play-types as opposed to having one-off blocks in widely diverse areas. In the northern Upper Magdalena Basin, Sintana has selected areas which have excellent nearby field analogs with a balanced set of prospects, some of them close-in and ready to drill. The objective is to shorten the cycle-time in order to establish positive cash flow. Management believes that Talora and the two COR Blocks provide an ideal diversification of prospect types, resource range and risk profile. Prospects range from well-defined conventional low risk types in Talora and COR-39 to higher risk and higher reward prospects with significant upside in COR-11.

Permits have been approved and Canacol has completed the data acquisition of a 100 km 2D seismic program on COR-39 (95 km minimum program) and in early 2014 will acquire 155 kilometres 2D seismic program on COR-11 (permit application review in progress). This will be followed by an aggressive drilling program of at least two wells on COR-39 and one well on COR-11.

Under the terms of the farm-in agreement, the Company will earn an undivided 30% private participation interest in each of the COR-39 and COR-11 blocks by paying 60% of the seismic and exploration costs related to the drilling of the first three wells. The total estimated net cost to Sintana to complete the earn-in exploration phase is approximately \$20.8 million.

COR-39 Block, Colombia (Sintana – 30% participation interest)

Sintana is required to incur 60% of the Phase 1 costs to earn a 30% private participation interest. Sintana will spend approximately \$10.8 million for a work program consisting of 100 km of 2D seismic acquisition (completed) and two (2) exploratory wells. The time needed to drill, evaluate and test each of these wells is estimated to be six weeks.

COR-11 Block, Colombia (Sintana – 30% participation interest)

Sintana is required to incur 60% of Phase 1 costs to earn a 30% private participation interest. Sintana will spend approximately \$10 million for a work program consisting of 155 km of 2D seismic acquisition which will commence in 2013 (permit approval activities in progress). Following a similar processing, analysis, site selection and well design work program to that being undertaken on COR-39, an exploration well is projected to be drilled in 2014.

Eastern/Central Llanos Basin

The Eastern Llanos Basin is located in the Eastern region of Colombia. Geomorphologic boundaries are the Colombian-Venezuela border to the north, Macarena high and Vaupes Arch to the south, Guaicaramo fault system to the west, and Guyana Shield to the east.

The evolution of the basin started in the Palaeozoic with a rifting phase. Siliclastic sediments were deposited over the crystalline Precambrian basement, from Triassic to Late Cretaceous the basin was the eastern shoulder of a major rift system.

Since the Maastrichtian to Palaeocene, this basin became a foreland. From Miocene to recent times the basin has been the repository of thick molasse deposits. Cretaceous source rocks range from immature to marginally mature within the region to the east of the frontal thrust. Main reservoirs are siliclastic units of Late Cretaceous and Palaeogene age. Analysis of the individual components of the migration systems within the basin is complicated by thinning of the stratigraphic section; and the development of more sand-prone facies towards the Guyana Shield.

Two giants, (Cano-Limon and Castilla) three major (Rubiales, Apiay and Tame Complex), and more than fifty minor fields have been discovered. Source rocks for the Llanos Foreland Basin are in fact located beneath the east flank of the Eastern Cordillera. Mixed marine-continental shales of the Gacheta Formation with kerogen type II and III with 150-300 ft of effective thickness are the main source. Two pulses of migration have been documented. The first one during the Upper Eocene/Oligocene. The second pulse of migration started in Miocene time and is continuing at the present.

The Palaeogene Carbon era (C-3, C-5, and C-7 units) and Mirador sandstones are excellent reservoir units. Within the Cretaceous sequence several sandstone intervals are also excellent reservoirs. Without exceptions, sedimentary thickness increases in an east to west direction. Porosity decreases in the same direction from 30% to near 10%. Pay thickness varies from a few feet up to 180 feet, depending on the location of the well within the basin. API gravity ranges from 120 to 42°.

The C-8 unit of the Carbonera Formation has traditionally been considered as the regional seal of the basin, but because of its extension the best seal is the Carbonera C-2 Unit. The Carbonera even numbered units are recognized as local seals as well as the Cretaceous Gacheta and Guadalupe formations that may be self-sealant.

Exploration drilling has been concentrated in normal, up-to-the basin (antithetic) faults. Poorly tested reverse fault anticlines, low-relief anticlines and stratigraphic traps (pinchouts, paleohighs, channels, etc.) are all high potential exploration targets.

LLA-18 Block, Colombia (Sintana – 25% participation interest - carried)

The E&P contract for the LLA-18 Block, dated March 10, 2009, was awarded to Golden Oil by the ANH. Oil production is subject to the standard sliding scale of the ANH royalty rates plus an additional X-factor that is 7% as offered by Golden Oil in their bid for this block. The LLA-18 Block has an area of 45,173 hectares near the municipality of Paz de Ariporo in the Department of Casanare.

- On June 17, 2010, by way of resolutions #218 from the ANH, ownership of LLA-18 was transferred from Golden Oil to LOH.
- Through a private participation agreement dated September 29, 2010 between APO-Barbados a wholly-owned indirect subsidiary of P1 Energy Corp (“P1”), and LOH, P1 obtained a 75% private participation interest in the LLA-18 Block and became the operator.
- Subsequently, ColCan acquired a 25% private participation interest from LOH.

Exploration Program

Acquire, process and interpret 490 km of 2D seismic. Drill three (3) exploration wells. Note ColCan is carried for the costs for the 2D seismic program and two of the exploration wells. Work is ongoing.

P1 is currently evaluating the most economic and viable form of getting into the well locations. The first option considered was the typical road construction methods, all of which are high cost. A second option is now being considered and that includes a heli-rig approach whereby the need for roads is completely circumvented until it is clear that there are commercial discoveries.

Bayovar Block, Peru (Sintana – 25% participation interest)

In the Bayovar Block, the Company's ownership position, acquired from Faulkner Exploration Inc. S.A. ("Faulkner"), consists of an undivided 25% private participation interest in the license contract for exploration and Exploitation of Hydrocarbons dated April 15, 2009 and a 25% private participation interest in Exploration Permit XXVII, comprising approximately 175,000 acres (70,820 hectares) in the Sechura Basin, in the Province of Sechura, Peru. Faulkner is the operator of the block under the Bayovar agreement.

Exploration Program

On August 22, 2011, the Company announced that its South American operations office located in Bogotá and existing under the laws of Colombia ("Sintana Energy (Colombia)") had received notice from Faulkner that the Peru Ministry of Energy and Mines (EIA) had approved a 10 well drilling permit for the Bayovar Block. The contract with Faulkner commits the Company to participate in the drilling of the first five (5) wells drilled out of the ten (10) wells covered by the permit. Faulkner estimates drilling costs of approximately \$3.0 million gross per well.

The SC-4X control well reached a TD of 5,276 feet and encountered the target reservoirs 500 feet lower than anticipated. Open hole log evaluations identified a continuous column of rich gas shows from the 1,496 feet of gross Paleozoic section penetrated, starting at 3,780 feet. Imagery logs depict a high density fracture system with a network of fracture intersections. The operator reported that during testing the highly fractured target interval collapsed which prevented completion of the well. The objective of gathering open hole log data on the stratigraphic section on the block was achieved and indications of hydrocarbons at this location are considered a significant bonus. Interestingly, this well exhibited natural flow compared to the nearby San Pedro Field (Savia, operator) which requires artificial lift and it appears that net pay footage and flow rate at SC-4X could be greater than what is already a commercial project at the San Pedro Field. If the SC-4X well had been tested for a much longer period of time and if not for the borehole collapse in the zone of interest, it is possible that the well could have been completed as a gas discovery.

In order to drill follow-up wells, planning has commenced for a seismic program on the Bayovar Block XXVII. This consists of a loose 90 km 2D seismic grid designed by Sintana to obtain the first structural subsurface picture. Faulkner, as operator, previously drilled the SC-4X well without seismic control. Open-hole log data from the well are being incorporated into the design of the seismic survey. Seismic structural and stratigraphic interpretation and post-processing analysis will be used to define optimum locations for the subsequent wells. The key points are that the SC-4X well showed a Paleozoic section that may be highly fractured and gas-saturated over large distances. The seismic will thus provide the next optimum well locations based on structure. The seismic will also provide the basis for defining possible regional gas contacts and drilling in optimum directions relative to the preferred fracture and fault directions. Gas commercialization of even small quantities of gas is relatively easy in this area due to existing gas infrastructure and a nearby successful phosphate industry with need for gas and power generation.

6.6 Costs Incurred

As at December 31, 2012, the Company had no production.

(a) **Property acquisition costs:** Acquisition costs recorded for the fiscal year ended December 31, 2012: \$31,185,394 (2011 - \$24,136,662). The acquisition costs were recorded in connection with the completion of the business acquisition with Colcan.

(b) **Exploration costs:** Exploration costs expensed to petroleum and natural gas properties for the fiscal year ended December 31, 2012: \$11,155,100 prior to recovery of costs of \$4,478,473. exploration costs expensed to petroleum and natural gas properties for the fiscal year ended December 31, 2011: \$1,071,501 prior to set-off agreement of \$628,469.

(c) **Development costs:** \$Nil.

6.7 Exploration Activities

(a) **Exploration**

See “*Properties with No Attributed Reserves*”

(b) **Expenditures**

The following table sets forth a breakdown of material components of unproven petroleum and natural gas properties:

Exploration Expenditures	Year ended December 31, 2012 \$	Year ended December 31, 2011 \$
Colombia		
Acquisition costs	31,185,394	24,136,662
Salaries and benefits	1,201,115	Nil
Drilling	6,047,560	Nil
Seismic	2,752,581	Nil
Administrative and general	236,970	381,754
Professional fees	44,444	Nil
Other	872,430	689,747
Set-off agreement	Nil	(628,469)
Recovery of costs	(4,478,473)	Nil
	37,862,021	24,579,694
Peru		
Professional fees	20,650	Nil
Drilling	56,319	Nil
	76,969	Nil
Totals	37,938,990	24,579,694

The Company relies on the expertise of its technical staff to direct and monitor its exploration programs. Management assesses its exploration programs and approves funding as deemed prudent to move projects forward.

Exploration Outlook for 2013

Sintana’s most significant 2013 exploration activity will be the drilling of the, Exxon operated, initial well on the VMM-37 block. Under the Farmout Agreement for this block, Exxon will pay 100% of all drilling, testing and completion expenditures on the first three exploration wells, each targeted at unconventional shale formations.

Other budgeted exploration activities are related to confirmation of the presence of economic hydrocarbons in the Verdal and Dorados prospects in the Talora block, processing and evaluation of seismic data collected on the COR-39 Block and permitting for seismic shoots on the COR-11 block and the Bayovar block (Peru).

FORM 51-101 F2
REPORT ON RESERVES DATA BY INDEPENDENT QUALIFIED RESERVES
EVALUATOR OR AUDITOR
SINTANA ENERGY INC.
For Fiscal Year Ended December 31, 2012

Terms for which a meaning is given in National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities have the same meaning in this form.

Information in this form is as of April 29, 2013.

Sintana Energy Inc. (the "Company") is an exploratory stage enterprise. The Company did not retain an independent qualified reserves evaluator to evaluate reserves as the Company had no reserves to evaluate as at December 31, 2012.

FORM 51-101 F3
REPORT OF MANAGEMENT AND DIRECTORS ON OIL & GAS DISCLOSURE
SINTANA ENERGY INC.
For Fiscal Year Ended December 31, 2012

Terms for which a meaning is given in National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities ("NI 51-101") have the same meaning in this form.

Management of Sintana Energy Inc. (the "Company") are responsible for the preparation and disclosure of information with respect to the Company's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data, which are estimates of proved reserves and probable reserves and related future net revenue as at the last day of the Company's most recently completed financial year, estimated using forecast prices and costs.

The Company is a reporting issuer involved in oil and gas activities pursuant to NI 51-101; however, as of December 31, 2012, the Company did not have any reserves or related future net revenue from reserves. As a result no reserves data for the Company has been disclosed as of December 31, 2012.

There is no report of an independent qualified reserves evaluator or auditor on reserves data as the Company had no proved or probable reserves as at December 31, 2012.

The board of directors has reviewed the Company's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The board of directors has approved:

- (a) the content and filing with securities regulatory authorities of Form 51-101F1 containing the other oil and gas information; and
- (b) the content and filing of this report.

DATED this April 29, 2013

"Doug Manner"
Doug Manner
Chief Executive Officer

"Carmelo Marrelli"
Carmelo Marrelli
Chief Financial Officer

"Keith Spickelmier"
Keith Spickelmier
Director

"Ron A. MacMicken"
Ron A. MacMicken
Director

CORPORATE INFORMATION

DIRECTORS

Keith D. Spickelmeir, Executive Chairman
Doug Manner, CEO & Director
Grant Fagerheim, Director
Ron MacMicken, Director
Bruno C. Maruzzo, Director

OFFICERS

Doug Manner, Chief Executive Officer
David Cherry, President & COO
Carmelo Marrelli, Chief Financial Officer
Sean Austin, Vice President, Secretary/Treasurer
Phil de Gruyter, VP Exploration & Manager, SA

AUDIT COMMITTEE

Ron MacMicken, Director
Grant Fagerheim, Director
Bruno Maruzzo, Director

AUDITORS

MSCM LLP Chartered Accountants
Toronto, Ontario

REGISTRAR AND TRANSFER AGENT

Olympia Transfer Services Inc.
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LEGAL COUNSEL

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