



## **TAX ELECTION TOOLKIT AND STEP-BY-STEP GUIDE (SHAREHOLDERS OF PETROBANK)**

For former holders (“Shareholders”) of common shares (“Petrobank Common Shares”) of Petrobank Energy and Resources Ltd. (“Petrobank”) who exchanged their Petrobank Common Shares for New Petrobank Common Shares and Petrominerales Ltd. (“New Petrominerales”) common shares (“New Petrominerales Common Shares”) pursuant to the Plan of Arrangement (the “Arrangement”) effective December 31, 2010.

**IMPORTANT NOTE – A JOINT TAX ELECTION IS NOT REQUIRED TO BE FILED FOR ANY SHAREHOLDERS WISHING TO RECEIVE AN AUTOMATIC TAX DEFERRED ROLLOVER. A JOINT TAX ELECTION IS AVAILABLE FOR SHAREHOLDERS WHO DO NOT WISH TO RECEIVE AN AUTOMATIC TAX DEFERRED ROLLOVER AND WISH TO RECOGNIZE ONLY A PORTION OF ANY ACCRUED GAIN WITHIN THEIR PETROBANK SPECIAL SHARES.**

**ARRANGEMENT OF DECEMBER 31, 2010**

## OVERVIEW

On December 17, 2010, the Shareholders of Petrobank approved the Arrangement involving Petrobank, New Petrominerales, and Petrobank Shareholders. The Arrangement became effective on December 31, 2010. The Arrangement is described in further detail in the Joint Management Information Circular dated November 19, 2010.

Pursuant to the Arrangement, each Shareholder of Petrobank received one New Petrobank Common Share and one Petrobank Special Share in exchange for each existing common share of Petrobank, hereinafter referred to as the “First Exchange”. Each Petrobank Special Share was then exchanged for approximately 0.6142 of one New Petrominerales Common Share hereinafter referred to as the “Second Exchange”. For Canadian tax purposes, Canadian resident Shareholders of Petrobank receive an automatic tax-deferred rollover on both the First Exchange and the Second Exchange. **No Joint Tax Elections are required to be filed to receive the automatic tax-deferred rollovers on either exchange.** With respect to the First Exchange, there is no mechanism within the Income Tax Act (Canada) to recognize any portion of the accrued gain or loss a shareholder may have on their common shares of Petrobank. However, with respect to the Second Exchange, a Petrobank Shareholder has the choice of four possible tax treatments:

1. Automatic tax-deferred rollover – A Petrobank Shareholder choosing this tax treatment **is not required to file a Joint Tax Election** with New Petrominerales. A Petrobank Shareholder choosing an automatic tax-deferred rollover should report the disposition of their Petrobank Special Shares in exchange for the New Petrominerales Common Shares for proceeds of disposition equal to the adjusted cost base of their Petrobank Special Shares.
2. Recognition of the full amount of the gain– A Petrobank Shareholder choosing to recognize the full amount of any gain on the disposition of their Petrobank Special Shares should do so by reporting a fair market value disposition of their Petrobank Special Shares on their 2010 tax return. A Petrobank Shareholder choosing this tax treatment **is not required to file a Joint Tax Election** with New Petrominerales.
3. Recognition of the full amount of the loss – A Petrobank Shareholder choosing to recognize the full amount of any gain on the disposition of their Petrobank Special Shares should do so by reporting a fair market value disposition of their Petrobank Special Shares on their 2010 tax return. A Petrobank Shareholder choosing this tax treatment **is not required to file a Joint Tax Election** with New Petrominerales.
4. Recognition of only a portion of the gain – New Petrominerales has agreed to file a Joint Tax Election with any Petrobank Shareholder wishing to recognize only a portion of the accrued gain on their Petrobank Special Shares on the second exchange. A Petrobank Shareholder choosing this tax treatment **is required to file a Joint Tax Election** with New Petrominerales.

The remainder of this document has been designed to assist former holders of Petrobank Special Shares choosing alternative 4 above in making a Joint Tax Election with New Petrominerales and obtaining a partial tax deferred “rollover” for Canadian income tax purposes. Please refer to our Information Letter

starting on page 5 of this document. **Any Shareholders choosing alternatives 1, 2 or 3 are not required to file a Joint Tax Election Form.**

For additional information and answers to general questions on the tax treatment of this transaction, please visit our website at <http://www.petrobank.com/investors/tax/pmgspinout/> and click on the heading “Tax Implications of the Spinout of Petrominerales Ltd. – Petrobank Shareholders”.

For answers to frequently asked questions on preparing the Joint Tax Election Form, please visit our website at <http://www.petrobank.com/investors/tax/pmgspinout/> and click on the heading “Joint Tax Election on the Spinout of Petrominerales Ltd. – Frequently Asked Questions”.

Joint Tax Election Forms, once completed by an Eligible Shareholder of Petrobank, must be received by New Petrominerales no later than March 31, 2011.

### **WARNING AND DISCLAIMER**

*Important warning to former holders of Petrobank Special Shares in regards to the information presented in this toolkit*

**The information included in this Tax Election Toolkit and Step-By-Step Guide is provided for illustrative purposes only and is not binding on any tax authorities. Former holders of Petrobank Special Shares are solely responsible for the proper completion and filing of any tax election forms (Federal and Provincial) (“Joint Tax Election Forms”). Anyone using this information is therefore urged to consult their own tax advisors. The obligations of New Petrominerales are limited to executing the Joint Tax Election Forms that have been received by New Petrominerales on or before March 31, 2011 (90 days from the effective date of the Arrangement) and mailing such forms with the Canada Revenue Agency within 30 days after the receipt thereof. New Petrominerales will not review such forms for accuracy and former holders of Petrobank Special Shares are therefore urged to consult their own tax advisors. Petrominerales Ltd., New Petrominerales., and their respective successors, affiliates, advisors, agents, or employees shall not incur any liability in respect of the accuracy of such information.**

**The instructions contained in this Tax Election Toolkit and Step-By-Step Guide are of a general nature only and are not intended to be, and should not be construed to be, legal, business or tax advice to any particular former holder of Petrobank Special Shares. Further, apart from providing these materials to holders of Petrobank Special Shares, New Petrominerales will not provide any advice on making the Joint Tax Election. Accordingly, holders of Petrobank Special Shares should consult their own tax advisors for specific advice in respect of whether to make a Joint Tax Election, making the Joint Tax Election and complying with the tax laws under the *Income Tax Act* (Canada) having regard to their own particular circumstances.**

The tax law is complex and contains numerous technical requirements. Former holders of Petrobank Special Shares are urged to consult their own tax advisors for advice in respect of:

- whether or not they are Eligible Shareholders (defined on page 5 below);
- whether or not they should make the Joint Tax Election (or any relevant provincial election);

- the proper completion, delivery and filing of the Federal Form (and any relevant provincial forms), and any other documents, for those who wish to make the Joint Tax Election (or any relevant provincial election);
- the deadlines applicable to their own particular circumstances for completing and filing the Joint Tax Election Forms;
- whether or not their Petrobank Special Shares were held by them as capital property at the time of the exchange (see instruction #6 on page 10);
- whether or not they might have acquired their Petrobank Special Shares in a non-arm's length transaction for purposes of the *Income Tax Act* (Canada) (see instruction #7 on page 10).

As a general rule, if the adjusted cost base of your Petrobank Special Shares exceeds the fair market value of the New Petrominerales common shares received on the exchange there may be no benefit in making the Joint Tax Election.

Former holders of Petrobank Special Shares that are corporations, trusts or estates should consult their own legal advisors for advice as to whether the representative signing the Federal Form (and any relevant provincial forms) has the proper authorization (see instruction #17 on page 13).

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

## INFORMATION LETTER

**To: Former holders of Petrobank Special Shares who wish to file a Joint Tax Election with New Petrominerales on the exchange of their Petrobank Special Shares for New Petrominerales Common Shares**

This tax package, referred to as the “Tax Election Toolkit and Step-by-Step Guide”, is addressed to former holders of Petrobank Special Shares who exchanged their Petrobank Special Shares for New Petrominerales Common Shares pursuant to the Arrangement completed on December 31, 2010.

New Petrominerales will make a joint tax election, referred to as a “Joint Tax Election”, under subsection 85(1) or subsection 85(2) of the *Income Tax Act* (Canada) and any relevant provincial legislation, in respect of Petrobank Special Shares with a shareholder who qualifies as an “Eligible Shareholder”.

**IMPORTANT NOTE – A JOINT TAX ELECTION IS NOT REQUIRED TO BE FILED FOR ANY SHAREHOLDERS WISHING TO RECEIVE AN AUTOMATIC TAX DEFERRED ROLLOVER. A JOINT TAX ELECTION IS AVAILABLE FOR THOSE SHAREHOLDERS WHO DO NOT WISH TO RECEIVE AN AUTOMATIC TAX DEFERRED ROLLOVER AND WISH TO RECOGNIZE ONLY A PORTION OF ANY ACCRUED GAIN WITHIN THEIR PETROBANK SPECIAL SHARES**

### Who is an Eligible Shareholder?

An “Eligible Shareholder” is a former holder of Petrobank Special Shares whose Petrobank Special Shares are “eligible property” as defined in subsection 85(1.1) of the *Income Tax Act* (Canada) at the time they were disposed of pursuant to the Arrangement, and who:

- disposed of their Petrobank Special Shares in exchange for New Petrominerales Common Shares pursuant to the Arrangement;
- is a resident of Canada for the purposes of the *Income Tax Act* (Canada); and
- is not exempt from tax under Part I of the *Income Tax Act* (Canada).

**Warning: No Joint Tax Election will be made by New Petrominerales with a shareholder who is not an Eligible Shareholder. For the remainder of this Tax Election Toolkit and Step-by-Step Guide, it is assumed that you are an Eligible Shareholder.**

This Tax Election Toolkit and Step-by-Step Guide assumes that all Petrobank Shareholders who intend to make the Joint Tax Election were at all relevant times dealing at arm’s length, for purposes of the *Income Tax Act* (Canada), with New Petrominerales.

### **TAX CONSEQUENCES OF MAKING A JOINT TAX ELECTION**

In general, the amount you elect in the Joint Tax Election, referred to as the “Agreed Amount”, will be treated as the proceeds of disposition of your Petrobank Special Shares. However, there are certain limitations in the *Income Tax Act* (Canada) regarding the Agreed Amount. In general, a shareholder should not realize a capital gain on the disposition of their Petrobank Special Shares held as capital

property to New Petrominerales provided that the Agreed Amount does not exceed the adjusted cost base of their Petrobank Special Shares immediately before the exchange. In general, a shareholder will realize a capital gain on their Petrobank Special Shares held as capital property at the time of the exchange to the extent that the Agreed Amount exceeds such adjusted cost base.

#### **PROCEDURE FOR MAKING A VALID JOINT TAX ELECTION**

To make the Joint Tax Election, you must properly complete and sign three (3) copies of the appropriate form and ensure that such duly completed forms are received by New Petrominerales ***no later than March 31, 2011 at the following address.***

Petrominerales Ltd.  
Suite 1900, 111 – 5<sup>th</sup> Avenue SW  
Calgary, AB T2P 3Y6  
Attn: Alison Howard

Please note that New Petrominerales is not obligated to sign Joint Tax Elections received after March 31, 2011. You should ensure that New Petrominerales, through the address above, has received the duly completed forms on or before that date.

The appropriate Joint Tax Election Form duly completed and executed by you and New Petrominerales must be filed with the Canada Revenue Agency on or before the earliest due dates for the filing of either New Petrominerales' income tax return or your income tax return for the taxation year which includes December 31, 2010 (the date of the exchange). Once the completed form is received, New Petrominerales or its successor will execute the form if it appears complete and return to you one copy of the executed form within 30 days following their receipt. New Petrominerales will file the second copy with the Canada Revenue Agency and retain the third copy for its records.

**Joint Tax Election Forms that are clearly incomplete will be returned unsigned by New Petrominerales and will have to be resubmitted *prior to March 31, 2011.***

At its sole discretion, New Petrominerales may choose to sign an election form received more than 90 days following the Effective Date, but New Petrominerales will have no obligation to do so.

#### **PARTICULAR CIRCUMSTANCES**

*1) Particular circumstances – Shares held in co-ownership.*

Where Petrobank Special Shares were held in co-ownership and two or more of the co-owners wish to make the Joint Tax Election, a co-owner designated for such purpose must ensure receipt of the following documents by New Petrominerales:

- a written designation signed by each co-owner authorizing the designated co-owner to execute and file Form T2057 (and any applicable provincial election form) on behalf of that co-owner;
- three copies of Form T2057 (and any applicable provincial election form) for each co-owner signed by the designated co-owner; and

- a list containing the name, address and social insurance number or tax account number of each electing co-owner.

## 2) *Particular circumstances – Shares held as partnership property*

Eligible Shareholders that are partnerships completing Form T2058 may generally refer to the detailed instructions below regarding the completion of the Form T2057. However, there may be some differences in the information that is required and the order of presentation of such information.

**Eligible Shareholders that are partnerships seeking to make the Joint Tax Election should consult with their own tax advisors for advice respecting the procedure for completing forms applicable to partnerships.**

Where Petrobank Special Shares were held as partnership property and the partnership wishes to make the Joint Tax Election, a partner designated by the partnership, referred to as the “Designated Partner”, must ensure receipt of the following documents by New Petrominerales (through the address below):

- a written designation signed by each partner authorizing the Designated Partner to execute and file Form T2058 (and any applicable provincial election form) - particular partnerships may have their own form of authorization;
- three copies of Form T2058 (and any applicable provincial election form) executed by the Designated Partner on behalf of all members of the partnership; and
- a list containing the name, address, and social insurance number or tax account number of each partner.

## 3) *Filling in a Valid Provincial Tax Election Form*

Certain provinces or territories may require that a separate copy of the Joint Tax Election Form (or an analogous separate provincial or territorial election) be filed with the relevant provincial or territorial taxing authority in order to defer provincial or territorial tax on the Arrangement. Former holders of Petrobank Special Shares wishing to make a Joint Tax Election should consult with their own tax advisors as to whether they are required to complete any provincial tax election forms, and how such forms should be completed.

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

You must forward three (3) copies of the Joint Tax Election forms duly completed to New Petrominerales at the following address:

Petrominerales Ltd.  
Suite 1900, 111 – 5<sup>th</sup> Avenue SW  
Calgary, AB T2P 3Y6  
Attn: Alison Howard

## **STEP-BY-STEP GUIDE ON COMPLETING THE JOINT TAX ELECTION FORM**

### **(Form T2057 – “Election on disposition of property by a taxpayer to a taxable Canadian corporation”)**

The following section illustrates how to complete the Joint Tax Election Form (Form T2057). Please consult your own tax advisor if you are unsure about any of the information required.

The form should be completed by typing or legibly printing the required information on the prescribed forms.

The instructions below apply to you if you are not a partnership (refer to the comments under “Particular Circumstances - Shares held as partnership property”) and if you held the Petrobank Special Shares as capital property at the time of the exchange (refer to the comments under item #6 below). If you held the Petrobank Special Shares as either partnership property or inventory (rather than capital property), please consult your own tax advisor.

The Petrobank website at <http://www.petrobank.com/investors/tax/pmgspinout/> contains a partially completely copy of Form T2057 under the following headings “Form T2057 – December 31, 2010”. Additional copies of the Tax Election Forms may be obtained by contacting the Canada Revenue Agency or by visiting their website at <http://www.cra-arc.gc.ca>.

**CAUTION: Consult your tax advisor in case of doubt.**

### **SECTION 1 – Identification (page 1 of the form)**

Name of taxpayer (transferor) (print)				Social insurance number or Business Number	
Address					Postal code
Tax year of taxpayer for the period from	Year Month Day	to	Year Month Day	Tax services office	
Name of co-owner(s), if any (if more than one, attach schedule giving similar details) (print)					Social insurance number
Address				Postal code	Tax services office
Name of corporation (transferee) (print)					Business Number
PETROMINERALES LTD.					838290401
Address					Postal code
SUITE 1900, 111 - 5TH AVENUE SW, CALGARY AB, CANADA					T2P 3Y6
Tax year of corporation for the period from	Year Month Day	to	Year Month Day	Tax services office	
	2010/10/29		2010/12/31	CALGARY	
Name of person to contact for additional information					Area code Telephone number

1. Indicate:

1

- your name;
- your social insurance number or business number;
- your complete address and postal code;
- your taxation year that includes December 31, 2010. For most individuals, the applicable taxation year will be January 1, 2010 to December 31, 2010; and
- your Tax Services Office (this is determined by the geographical area in which you reside; please refer to the list of Tax Services Offices and Tax Centers at the Canada Revenue Agency website at <http://www.cra-arc.gc.ca/>).

2. Only complete this section if your Petrobank Special Shares were held in co-ownership (including joint-ownership). Please see additional requirements described under “Particular Circumstances - Shares held in co-ownership”.
3. Petrominerales Ltd. has partially completed this section. Complete the last line by filling in your name and telephone number. If the Canada Revenue Agency has any questions on the form, they will contact you directly.

**SECTION 2 – Penalties (page 1 of the form)**

<b>Penalty for late-filed and amended elections</b>		
<p>An election that is filed after its due date is subject to a late-filing penalty. Form T2057 can be filed within 3 years after its due date if an estimate of the penalty is paid at the time of filing. Form T2057 can also be amended or filed after the 3-year period, but in these situations, a written explanation of the reason the election is amended or late-filed must be attached for consideration by the Minister and an estimate of the applicable penalty must be paid when this election is filed.</p> <p>Calculation of late-filing penalty:</p>		<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: auto;">Do not use this area</div>
Fair market value of property transferred .....	_____	
Less: agreed amount .....	_____	
Difference .....	===== A	
Amount A _____ x 1/4 x 1% x N* .....	= _____ B	
\$100 x N* .....	= _____ C	
<div style="border: 1px solid black; padding: 2px; margin-top: 5px;"> <p>*N represents the sum of each month or each part of a month in the period from the due date to the actual filing date. Amount C cannot exceed \$8,000.</p> </div>		
<p>Late-filing penalty is the lesser of B and C above .....</p>		
<p>Make a cheque or money order payable to the Receiver General. Specify "T2057" on the remittance and, to ensure proper credit, indicate the name and social insurance number of the taxpayer, or Business Number if a corporation.</p>		<p><b>Amount enclosed</b> _____</p>
<p>Unpaid amounts including late-filing penalties are subject to daily compound interest, at a prescribed rate.</p>		

4

4. Only complete this section if you are filing the Joint Tax Election after its filing due date, or are filing an amended Joint Tax Election. In such circumstances, please consult your own tax advisor.

**SECTION 3 – Information required (page 2 of the form)**

Name	S.I.N. or B.N.
<b>Information required</b>	
<p>On the following page, list, describe, and state the fair market value of transferred properties. The description and fair market value of the consideration received has to be shown opposite the related property transferred. Where the transferred property is a partnership interest, attach a schedule of the calculation of the adjusted cost base. If space on the form is insufficient, attach schedules giving similar details. You have to designate the order of disposition of each depreciable property. With this election you do not have to file the following materials: schedules supporting this designation, documentation relating to the responses to the questions below, and a brief summary of the method of evaluating the fair market value of each property transferred. However you have to keep them as the Canada Revenue Agency may ask to see them at a later date.</p>	
1 – Is there a written agreement relating to this transfer? .....	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2 – Does a price adjustment clause apply to any of the properties? (See the Interpretation Bulletin IT-159 for details.) .....	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
3 – Do any persons other than the taxpayer own or control directly or indirectly any shares of any class of the transferee? .....	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4 – Does a non-arm's length rollover exist between 2 or more corporations? .....	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
a) Have all or substantially all (90% or more) of all the properties of the corporation(s) been transferred to the transferee corporation? .....	<input type="checkbox"/> Yes <input type="checkbox"/> No
5 – Is the taxpayer a non-resident of Canada? .....	<input type="checkbox"/> Yes <input type="checkbox"/> No
6 – Are any of the properties transferred capital properties? .....	<input type="checkbox"/> Yes <input type="checkbox"/> No
If <b>yes</b> ,	
a) have they been owned continuously since Valuation-Day (V-Day)? .....	<input type="checkbox"/> Yes <input type="checkbox"/> No
b) have they been acquired after V-Day in a transaction considered not to be at arm's length? .....	<input type="checkbox"/> Yes <input type="checkbox"/> No
c) since V-Day, has the taxpayer or any person from whom shares were acquired in a non-arm's length transaction received any subsection 83(1) dividends for transferred shares? (If <b>yes</b> , provide details of amounts and dates received and attach a schedule.) .....	<input type="checkbox"/> Yes <input type="checkbox"/> No
7 – Is the agreed amount of any of the transferred properties based on an estimate of fair market value on V-Day? .....	<input type="checkbox"/> Yes <input type="checkbox"/> No
a) If <b>yes</b> , does a formal documented V-Day value report exist? .....	<input type="checkbox"/> Yes <input type="checkbox"/> No
8 – Has an election under subsection 26(7) of the <i>Income Tax Application Rules</i> (Form T2076) been filed by or on behalf of the taxpayer? .....	<input type="checkbox"/> Yes <input type="checkbox"/> No
Where shares of the capital stock of a private corporation are included in the property disposed of, provide the following:	
Name of corporation (print)	Paid-up capital of shares transferred
Business Number	

\*  
5  
6  
7

**\*Note:** If completing a blank form rather than the partially filled form, please ensure all of the questions above are answered including questions #1 through #4. It is expected items #1 - #4 will be completed in the same manner as the example above. If you have any questions as to your residency for tax purposes please consult your tax advisor.

5. It is assumed that you will answer "No" to this question since you cannot be a non-resident of Canada and still be an Eligible Shareholder. If you have any questions as to your residency for tax purposes please consult your tax advisor.
6. You should answer question 6 based on your particular circumstances. In general, you should select "yes", except if you held your Petrobank Special Shares in the course of carrying on a business. If you have any doubt, please consult with your tax advisor, and, if you do not check "yes", please consult with your tax advisor to determine whether you are eligible to file the Joint Tax Election.
7. The remainder of question #6, and questions #7 and #8 deal with circumstances where you held Petrobank Shares on "V-Day", which was December 31, 1971, or acquired your Petrobank Shares in a non-arm's length transaction. However, if you acquired your Petrobank Common Shares on the TSX after December 31, 1971 you would generally answer these questions as follows: 6(a) – No, 6(b) – No, 6(c) – No, 7 – No, 7(a) – blank, and 8 – No.

**SECTION 4 – Description of shares received (page 2 of the form)**

Description of shares received					
Number of shares transferor received	Class of shares	Redemption value per share	Paid-up capital	Voting or non-voting	Are shares retractable?*
8	COMMON	N/A	Per 85(2.1)ITA	voting	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
					<input type="checkbox"/> Yes <input type="checkbox"/> No
					<input type="checkbox"/> Yes <input type="checkbox"/> No
					<input type="checkbox"/> Yes <input type="checkbox"/> No
					<input type="checkbox"/> Yes <input type="checkbox"/> No
					<input type="checkbox"/> Yes <input type="checkbox"/> No
					<input type="checkbox"/> Yes <input type="checkbox"/> No
					<input type="checkbox"/> Yes <input type="checkbox"/> No
					<input type="checkbox"/> Yes <input type="checkbox"/> No

\* Retractable means redeemable at the option of the holder.

8. Insert the number of New Petrominerales common shares that you received in exchange for your Petrobank Special Shares pursuant to the Arrangement.

**Note:** If you are completing a blank form rather than the partially filled form, please ensure all the information in this section is completed as shown in the above example.

**SECTION 5 – Particulars of Eligible Property Disposed of and Consideration Received (page 3 of the form.)**

Name		S.I.N. or B.N.						
Particulars of Eligible Property Disposed of and Consideration Received								
Date of sale or transfer of all properties listed below:		Year Month Day		Note: For properties sold or transferred on different dates, use separate T2057s.				
		2010/12/31						
	Description	Property Disposed of		Agreed Amount (cannot be zero) B	Amount to be reported B – A (if greater than 0 see Note 4)	Consideration Received		Fair Market Value of Total Consideration
		Fair Market Value	Elected Amount Limits* A			Non-share	Share	
	(Brief legal)	\$	\$(See Note 1)	\$	\$	Description	Number and Class	\$
	9	10	11	12	13	14	15	16
Capital Property Excluding Depreciable Property	PETROBANK						COMMON SHARES	
	SPECIAL SHARES							

In the top line of this section, New Petrominerales has entered the effective date of the transaction of December 31, 2010.

Complete the information in each column of this section (within the area designated by the sidebar title “Capital Property Excluding Depreciable Property”), according to the instructions referenced as follows:

9. Insert the number of Petrobank Special Shares that you exchanged for New Petrominerales common shares pursuant to the Arrangement.
10. Insert the fair market value (at the time of the exchange) of the Petrobank Special Shares that you exchanged for New Petrominerales common shares pursuant to the Arrangement. Petrobank has estimated the fair market value of the Petrobank Special Shares to be \$20.05 per share. This is based on the weighted average trading price of New Petrominerales on the Toronto Stock Exchange for the last 10 trading days prior to the completion of the Arrangement assuming that each Petrobank Special Share is valued at approximately 0.6142 of one New Petrominerales Common Share. The fair market value of New Petrominerales has been adjusted to remove the value of the fourth quarter dividend having a record date of December 30, 2010. This estimate of fair market value is not binding on the Canada Revenue Agency or any particular Petrobank Shareholder but represents Petrobank's best estimate of fair market value at the time of the Arrangement.
11. Insert the total adjusted cost base to you (at the time of the exchange) of the Petrobank Special Shares that you exchanged for New Petrominerales common shares pursuant to the Arrangement. Please consult your own tax advisor if you are uncertain as to how to determine such adjusted cost base.
12. Insert the Agreed Amount which, subject to certain limitations contained in the *Income Tax Act* (Canada), will be treated as the proceeds of disposition of your Petrobank Special Shares. If you wish to avoid a capital gain, you must elect an Agreed Amount equal to your adjusted cost base of the Petrobank Special Shares. If you wish to trigger a capital gain, you should select an agreed amount that is higher than your adjusted cost base.

The Agreed Amount **cannot be**:

- (a) less than the lesser of (i) the fair market value of your Petrobank Special Shares (amount inserted at instruction 10) and (ii) the adjusted cost base to you of your Petrobank Special Shares at the time of the exchange (amount inserted at instruction 11); nor
- (b) greater than the fair market value of your Petrobank Special Shares (amount inserted at instruction 10).

In case of doubt, consult your tax advisor. Please note that all forms that do not respect the permissible limits in the *Income Tax Act* (Canada) will automatically be returned to the shareholder for adjustment and will not be signed by New Petrominerales.

13. Insert the difference which results from subtracting the amount at instruction 11 from the amount at instruction 12. This difference will generally be the capital gain that you must report on your income tax return for your taxation year that includes December 31, 2010.
14. As no cash was payable on the exchange of your Petrobank Special Shares for New Petrominerales Shares, this box should be left blank.

15. Insert the number of New Petrominerales Common Shares that you received for your Petrobank Special Shares pursuant to the Arrangement.
  
16. Insert the total fair market value (at the time of the exchange) of the New Petrominerales Common Shares that you received on the exchange of your Petrobank Special Shares pursuant to the Arrangement. Please consult your own tax advisor if you are uncertain as to how to determine such fair market value. New Petrominerales has determined the fair market value of the New Petrominerales Common Shares to be \$32.65 per share. This is based on the weighted average trading price of Petrominerales on the Toronto Stock Exchange for the last 10 trading days prior to the Arrangement. The fair market value has been adjusted to remove the value of the fourth quarter dividend having a record date of December 30, 2010. This estimate of fair market value is not binding on the Canada Revenue Agency or any particular Shareholder but represents New Petrominerales' best estimate of fair market value at the time of the Arrangement.

Instructions 9 through 16 assume that you held your Petrobank Special Shares as capital property at the time of the exchange. If you did not hold your shares as capital property please consult your own tax advisor.

**SECTION 6 – Certification (page 3 of the form)**

<b>Election and Certification</b>		
<small>The taxpayer and corporation hereby jointly elect under subsection 85(1) in respect of the property specified, and certify that the information given in this election, and in any documents attached, is to the best of their knowledge, correct and complete.</small>		
17	and	18
_____ <small>Signature of Transferor, of Authorized Officer or Authorized Person*</small>		_____ <small>Signature of Authorized Officer of Transferee</small>
		_____ <small>Date</small>
<small>* Attach a copy of authorizing agreement</small>		

17. You (or your authorized representative if you are not an individual) should sign on this line. By signing on this line:
  - a. you declare to New Petrominerales that you are an Eligible Shareholder, and
  - b. you attest that the information provided in the Joint Tax Election is, to your knowledge, correct and complete.

New Petrominerales will assume that any representative signing the Joint Tax Election on behalf of a corporation, trust or estate has been duly authorized to do so, and will not take any action to verify the validity of any such authorization. If you are signing on behalf of a Petrominerales Ltd. shareholder, attach a copy of the authorizing agreement.

18. **Leave this line blank;** an authorized officer of New Petrominerales or its successor will sign on this line if the Joint Tax Election appears complete and was received by New Petrominerales no later than March 31, 2011.
  
19. **Leave this line blank;** New Petrominerales or its successor will fill in the date when New Petrominerales or its successor executes your Joint Tax Election.