

**EARLY WARNING REPORT
PART 3 OF NATIONAL INSTRUMENT 62-103**

1. Name and address of the offeror

PetroCorp Group Inc.
2532 Ellwood Dr SW
Edmonton, Alberta T6X 0A9

2. The designation and number or principal amount of securities and the offeror's security holding percentage in the class of securities of which the offeror acquired ownership or control in the transaction or occurrence giving rise to the obligation to file this Report, and whether it was ownership or control that was acquired in those circumstances.

PetroCorp Group Inc. ("**PetroCorp**") acquired ownership over 17,857,143 trust units (the "**Acquired Units**") of Petrowest Energy Services Trust ("**Petrowest**") on June 29, 2010 by way of the exercise of the stand-by commitment for a rights offering provided to Petrowest as described in the short form prospectus of Petrowest dated May 26, 2010 (the "**Rights Offering**"). The Acquired Units represent approximately 20.9% of Petrowest's issued and outstanding trust units after the completion of the Rights Offering. In addition, pursuant to the stand-by commitment Petrowest issued to PetroCorp 1,903,452 warrants ("**Warrants**"), each Warrant entitling the holder thereof to purchase an additional trust unit for \$0.1879 per trust unit expiring June 29, 2011. The Warrants issued to PetroCorp represent approximately 33.3% of the outstanding Warrants.

3. The designation and number or principal amount of securities and the offeror's security holding percentage in the class of securities immediately after the transaction or occurrence giving rise to the obligation to file this Report.

PetroCorp owns after the completion of the Rights Offering 17,857,143 trust units representing 20.9% of the outstanding trust units, and 1,903,452 Warrants representing 33.3% of the outstanding Warrants.

4. The designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities referred to in paragraph 3 over which:

(i) the offeror, either alone or together with joint actors, has ownership and control;

Together with AWG Ventures Inc. ("AWG") and Larry Patriquin, who may be joint actors, PetroCorp owns or controls 17,857,143 trust units of Petrowest, or approximately 20.9% of the 85,357,742 issued and outstanding trust units of Petrowest, and 2,286,428 Warrants, or approximately 40.0% of the 5,716,072 issued and outstanding Warrants.

(ii) the offeror, either alone or together with joint actors, has ownership but control is held by other persons or companies other than the offeror or any joint actor:

Not applicable.

(iii) the offeror, either alone or together with joint actors, has exclusive or shared control but does not have ownership:

Not applicable.

5. The name of the market in which the transaction or occurrence that gave rise to this Report took place.

The Acquired Units were purchased and the Warrants were issued in connection with a stand-by commitment for the Rights Offering.

6. The purpose of the offeror and any joint actors in effecting the transaction or occurrence that gave rise to this Report, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer.

The Acquired Units and Warrants were acquired for investment purposes. Together with AWG and Larry Patriquin, who may be joint actors, PetroCorp may acquire ownership of, or control over, additional trust units of Petrowest, depending on market conditions and in compliance with applicable law.

7. The general nature and the material terms of any agreement, other than lending arrangements, with respect to securities of the reporting issuer, entered into by the offeror, or any joint actor, and the issuer of the securities or any other entity in connection with the transaction or occurrence giving rise to this Report, including agreements with respect to the acquisition, holding, disposition or voting of any securities.

Pursuant to a stand-by purchase agreement dated May 11, 2010 among PetroCorp, Roy Larson, Jim Moffatt, Rick Quigley, Bernie Reid, Larry Patriquin, Murray Head and Ron Head (collectively, the "Stand-by Purchasers"), Petrowest and Petrowest Energy Services General Partner Ltd., Petrowest agreed to sell and the Stand-by Purchasers agreed to purchase all of the trust units not otherwise purchased under the Rights Offering, and were issued the Warrants as compensation for providing the stand-by commitment.

8. The names of any joint actors in connection with the disclosure required by this Report.

AWG and Larry Patriquin may be considered to be acting jointly and in concert with PetroCorp, but the filing of this report is not an admission that either party is a joint actor with PetroCorp.

9. In the case of a transaction or occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including any issuance from treasury, the nature and value of the consideration paid by the offeror.

The Acquired Units were acquired for aggregate consideration of CAD \$2,500,000 (\$0.14 per Acquired Unit), and the 1,903,452 Warrants were issued in consideration of PetroCorp providing the stand-by commitment for the Rights Offering.

10. If applicable, a description of any change in any material fact set out in a previous report by the entity under the early warning requirements in respect of the reporting issuer's securities.

Not applicable.

DATED July 6, 2010.

PETROCORN GROUP INC.

Per: "Larry Patriquin"
Larry Patriquin, President