

AMENDMENT TO THE DEFINITIVE AGREEMENT

This Amendment Agreement is made as of May 15, 2011.

AMONG:

SOUTHERN ANDES ENERGY INC.,
("Southern Andes")

- and -

ANSUE CAPITAL CORP.
("Ansue")

WHEREAS the parties hereto executed and delivered a qualifying transaction agreement dated as of April 13, 2011 (the "**Definitive Agreement**");

AND WHEREAS the Definitive Agreement provided that Ansue would conclude a private placement of Ansue securities for aggregate gross proceeds of between C\$4.0 million and C\$6.0 million as part of the qualifying transaction between the parties (the "**Financing**");

AND WHEREAS the Definitive Agreement required that such Financing was to occur on or before May 16, 2011;

AND WHEREAS it is appropriate for the parties hereto to execute and deliver this Agreement to amend the Definitive Agreement to extend the deadline to conclude the Financing to June 1, 2011;

AND WHEREAS it is therefore in order for the parties hereto to execute and deliver this Agreement,

NOW THEREFORE IN CONSIDERATION of the premises and the mutual covenants in this Agreement, and of other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each Party), the Parties agree as follows:

ARTICLE 1 **AMENDMENT**

1.1 Amendment

Effective upon execution of this Agreement and without any further or other act or formality of the parties hereto:

- section 8.3(e) of the Definitive Agreement shall be amended to read as follows: "Ansue shall have completed the Financing on or before June 1, 2011"; and

- section 9.1(d) of the Definitive Agreement shall be amended to read as follows: "by Southern Andes if Ansue has not completed the financing on or before June 1, 2011".

ARTICLE 2
GENERAL

2.1 Definitive Agreement

Save and except as herein specifically provided, the Definitive Agreement shall remain in full force and effect, unamended.

2.2 Laws

This Agreement shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

2.3 Enurement.

This Agreement shall enure to the benefit of the parties hereto and their respective successors and permitted assigns.

2.4 Execution in Counterpart

This Agreement may be executed in counterparts in original or by facsimile. Each executed counterpart shall be deemed to be an original. Each executed counterpart taken together shall constitute one agreement.

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement as of the date first written above.

SOUTHERN ANDES ENERGY INC.

Per: 

Name: Nick Tinker

Title: President and CEO

ANSUE CAPITAL CORP.

Per: _____

Name: _____

Title: _____

- section 9.1(d) of the Definitive Agreement shall be amended to read as follows: "by Southern Andes if Ansue has not completed the financing on or before June 1, 2011".

ARTICLE 2
GENERAL

2.1 Definitive Agreement

Save and except as herein specifically provided, the Definitive Agreement shall remain in full force and effect, unamended.

2.2 Laws

This Agreement shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

2.3 Enurement.

This Agreement shall enure to the benefit of the parties hereto and their respective successors and permitted assigns.

2.4 Execution in Counterpart


This Agreement may be executed in counterparts in original or by facsimile. Each executed counterpart shall be deemed to be an original. Each executed counterpart taken together shall constitute one agreement.

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement as of the date first written above.

SOUTHERN ANDES ENERGY INC.

Per: _____
Name:
Title:

ANSUE CAPITAL CORP.

Per: 
Name:
Title: *SUZANNE WOOD*
PRESIDENT