



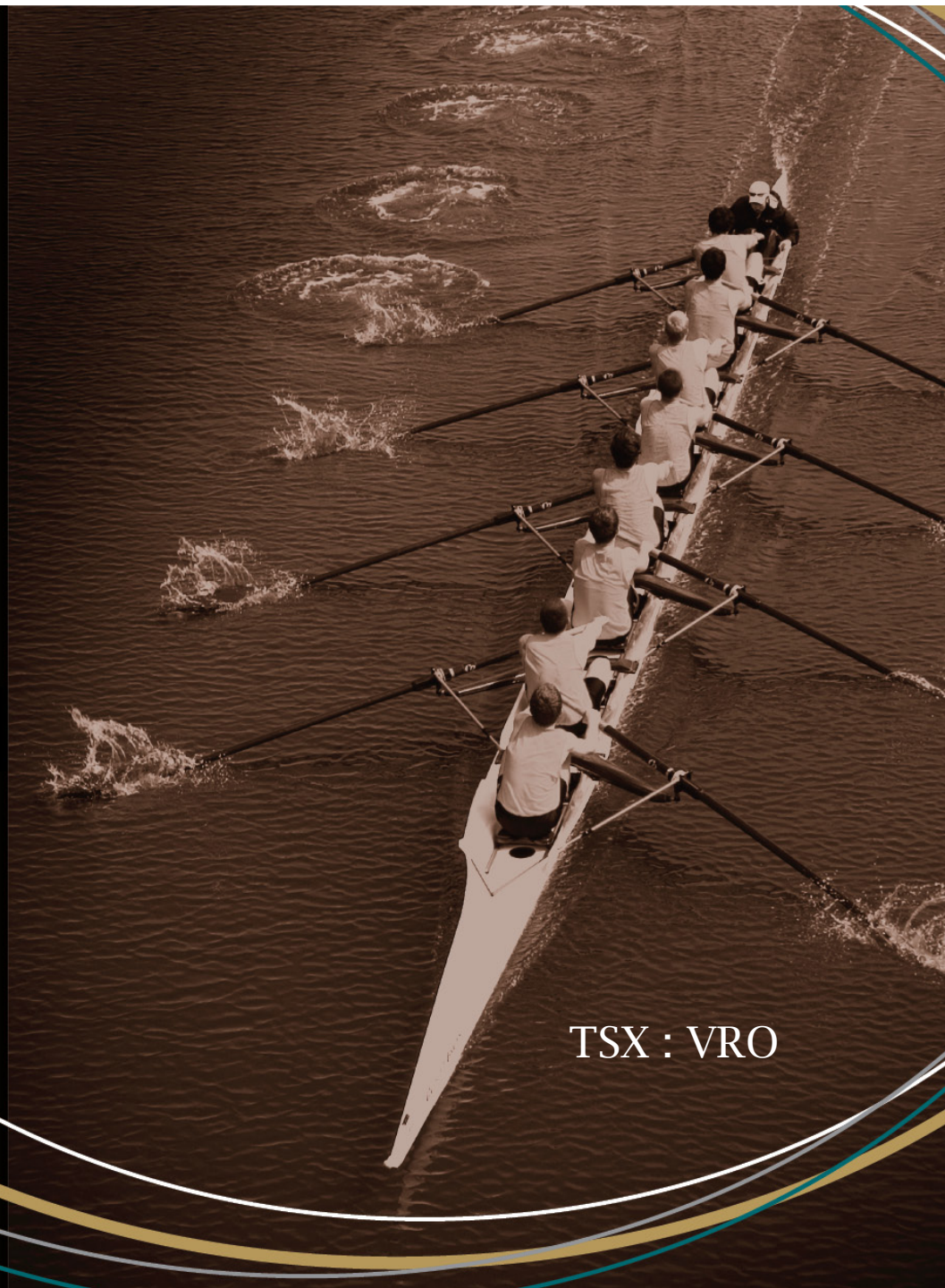
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ENERGY INC.

IN THE ZONE

**FirstEnergy/Société Générale
Montreal Energy Conference**

**Montreal, Quebec
December 10, 2008**

WWW.VEROENERGY.CA



TSX : VRO

- Provide shareholders with per share growth in all categories
- Technical team spending capital efficiently
- Lowest cost producer
- Long term planning, stick to oil and gas basics
- Control all within our control
- Manage "Our Business"
- Operator of choice



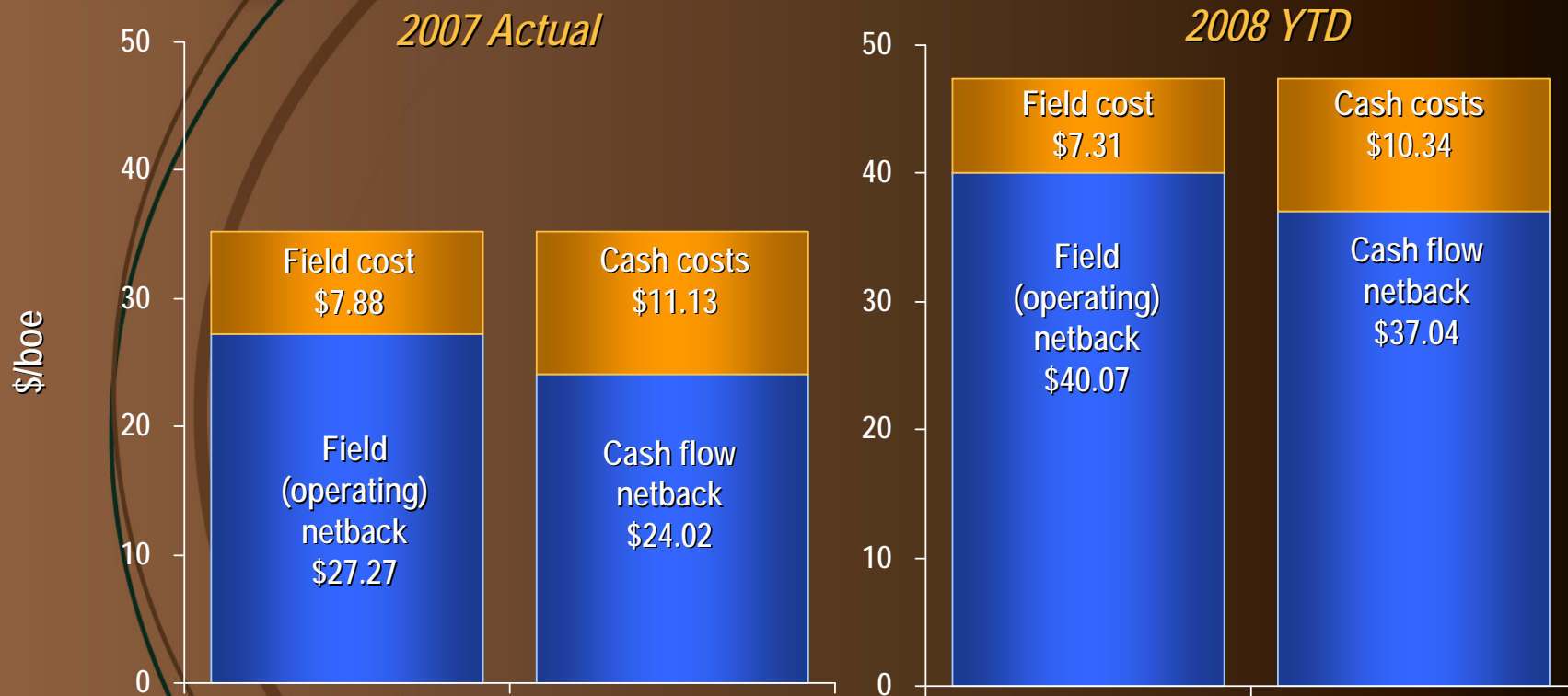
Corporate Profile

- Q3 average production 6,236 boe/d (80% gas)
- Current production > 8,100 (81% gas)
- 2007 year end 2P reserves 13.4 mmboe
- Bank line \$ 100 mm
- Q3 net debt \$ 67.7 mm
- Shares outstanding (*basic/FD*) 37.1 mm / 40.1 mm
- Management and insiders (*basic/FD*) 11% / 16%
- Market cap @ \$6.15 (Nov 27 close) \$ 228 mm
- Avg daily shares traded '06:'07:'08 45,000:129,000:173,000

- 2008 acquisitions (approx. \$72 mm, 5.65 mm shares, \$34 mm cash)*
 - 4.5 mmboe 2P reserves \$16 / boe ; \$12.67 / boe (less land and seismic)
 - 1700 boed (85 % gas) \$42,350 / boe ; \$33,500 / boe (less land and seismic)



Low Cost * High Netback = High Returns



Capital: \$ 11.37/boe (All-in F&D&A)

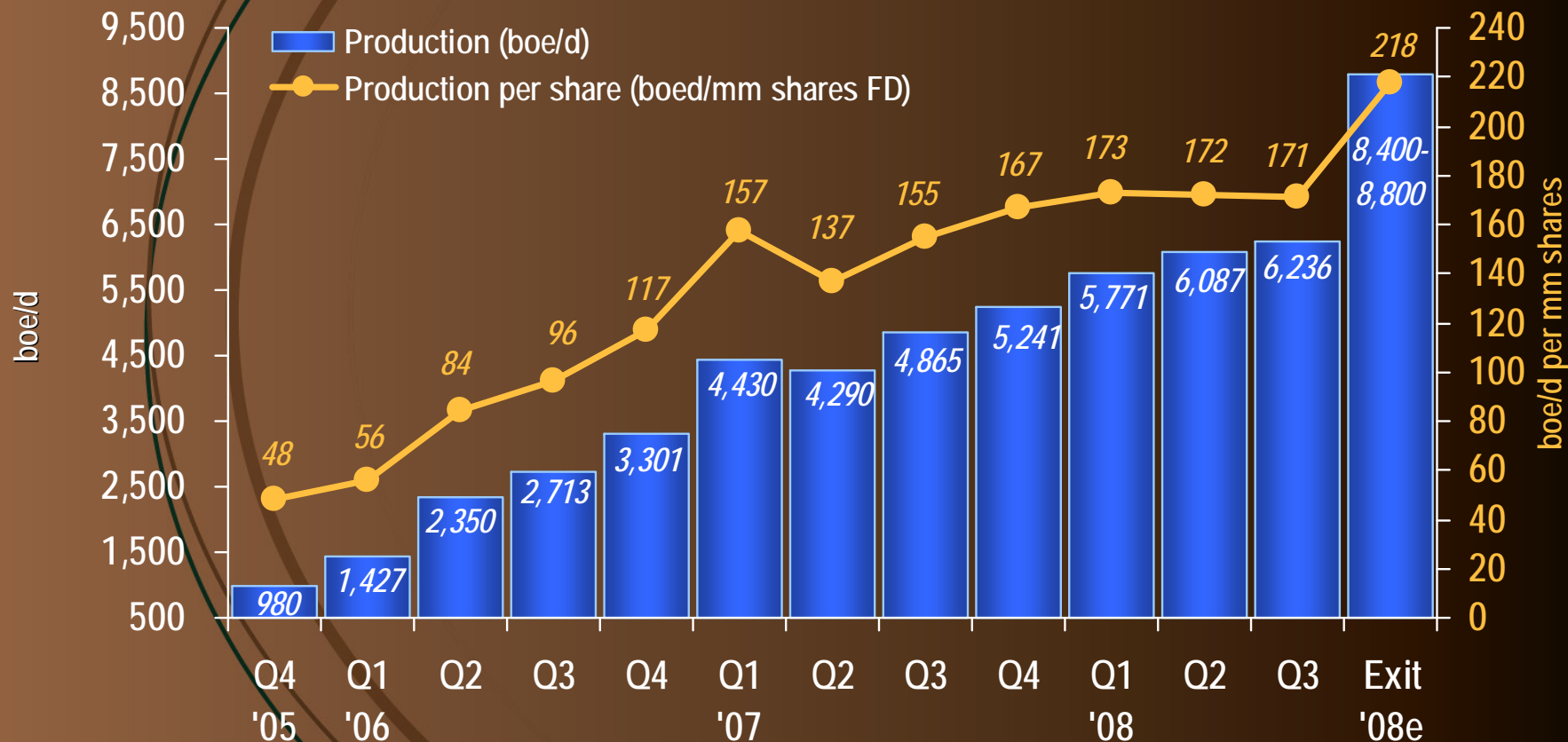
Capital: \$ 16.00/boe (acquisitions only)

Operating recycle ratio	$\$ 27.27 / \$ 11.37 = 2.5X$
Cash flow recycle ratio	$\$ 24.02 / \$ 11.37 = 2.1X$

	$\$ 40.07 / \$ 16.00 = 2.5X$
	$\$ 37.04 / \$ 16.00 = 2.3X$

* World recycle ratio in 2007 was 1.2x, 3 year average was 1.7x (FirstEnergy published report)

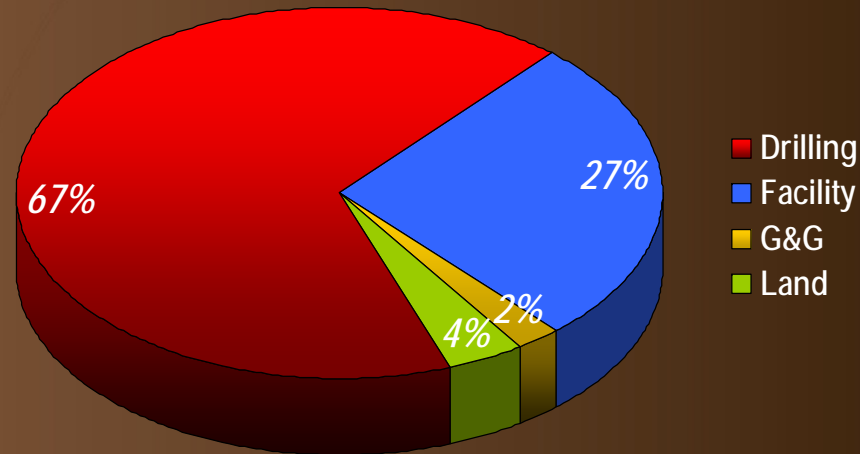
Production – Quarterly Averages



- Consistent growth, primarily through the drill bit
- 798% increase in production
- 354% increase in production per share

- | | |
|---|------------------------|
| • Exploration and development capital budget | \$85 - 90 mm |
| • Total including acquisitions | \$157-162 mm |
| • Average production | 6,400 – 6,500 boe/d |
| • Exit production | 8,400 – 8,800 boe/d |
| • Cash flow | |
| – Amount | \$79 – 82 mm |
| – Per share | \$2.40 – 2.50 |
| • Earnings | |
| – Amount | \$25 – 27 mm |
| – Per share | \$0.76 – 0.83 |
| • Net debt at year end | \$85 - 90 mm |
| • Debt to Q4 annualized cash flow | 1.0 x |
| • Price assumptions (Q4 '08): | |
| – Gas - \$6.90 CDN/GJ AECO (Vero realized \$7.75 CDN/mcf) | |
| – Oil - \$70.00 USD WTI (Vero realized \$80 CDN) | |
| • Sensitivity : | |
| – \$1.00/mcf = \$0.13 cash flow per share (FD) | |
| • Hedges : | |
| – Nov – Dec '08, \$7.75 - \$9.50/GJ on 10,000 GJ/d | |
| | <i>Vero Realized</i> |
| | \$8.91 - \$10.93 / mcf |

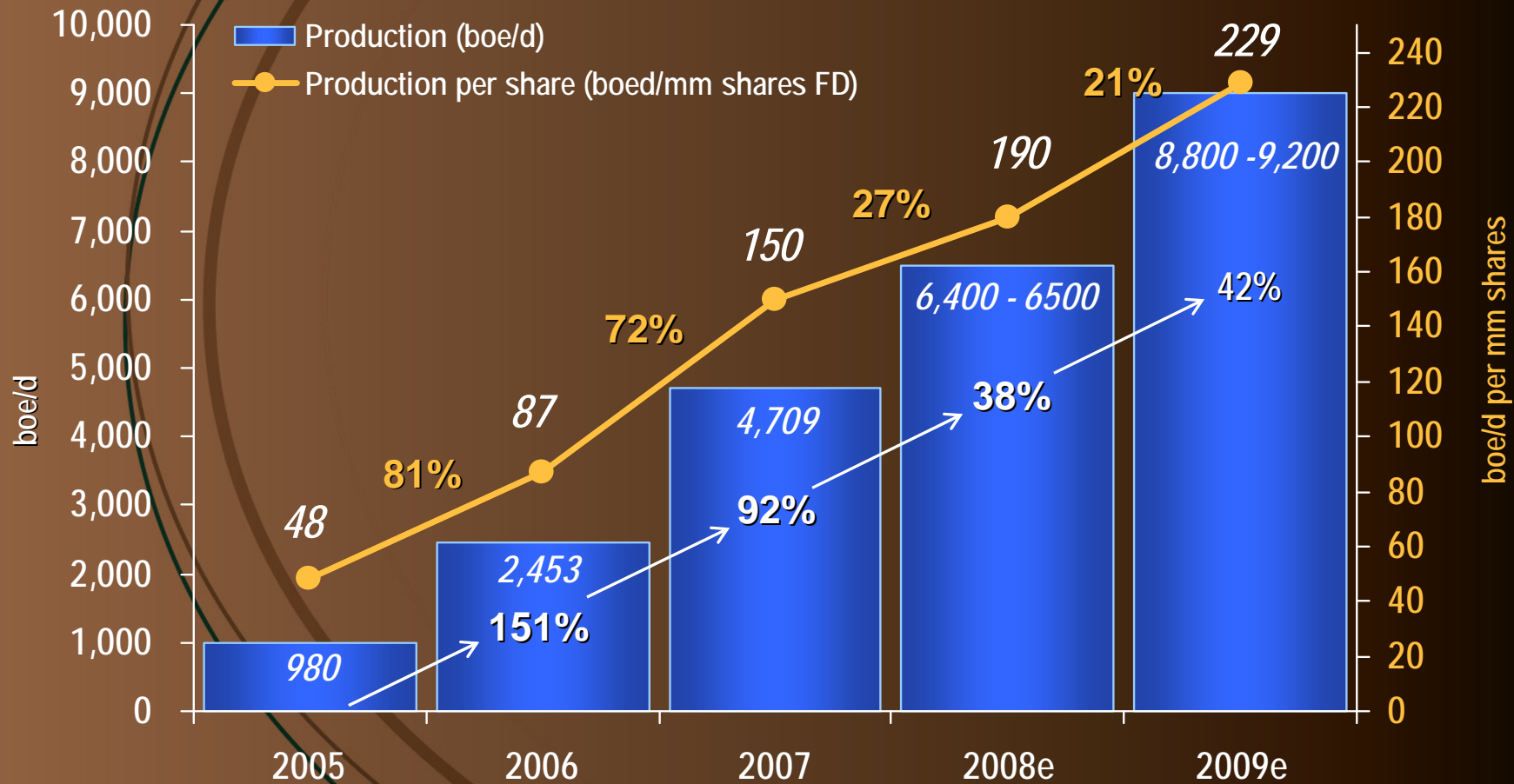
- Exploration and development capital: \$90 mm



- Average production (boe/d) 8,800 – 9,200
- Cash flow
 - Amount \$88 – 92 mm
 - Per share \$2.40 – 2.50
- Net debt at year end \$87 – 90 mm
- Debt to cash flow 1.0 x

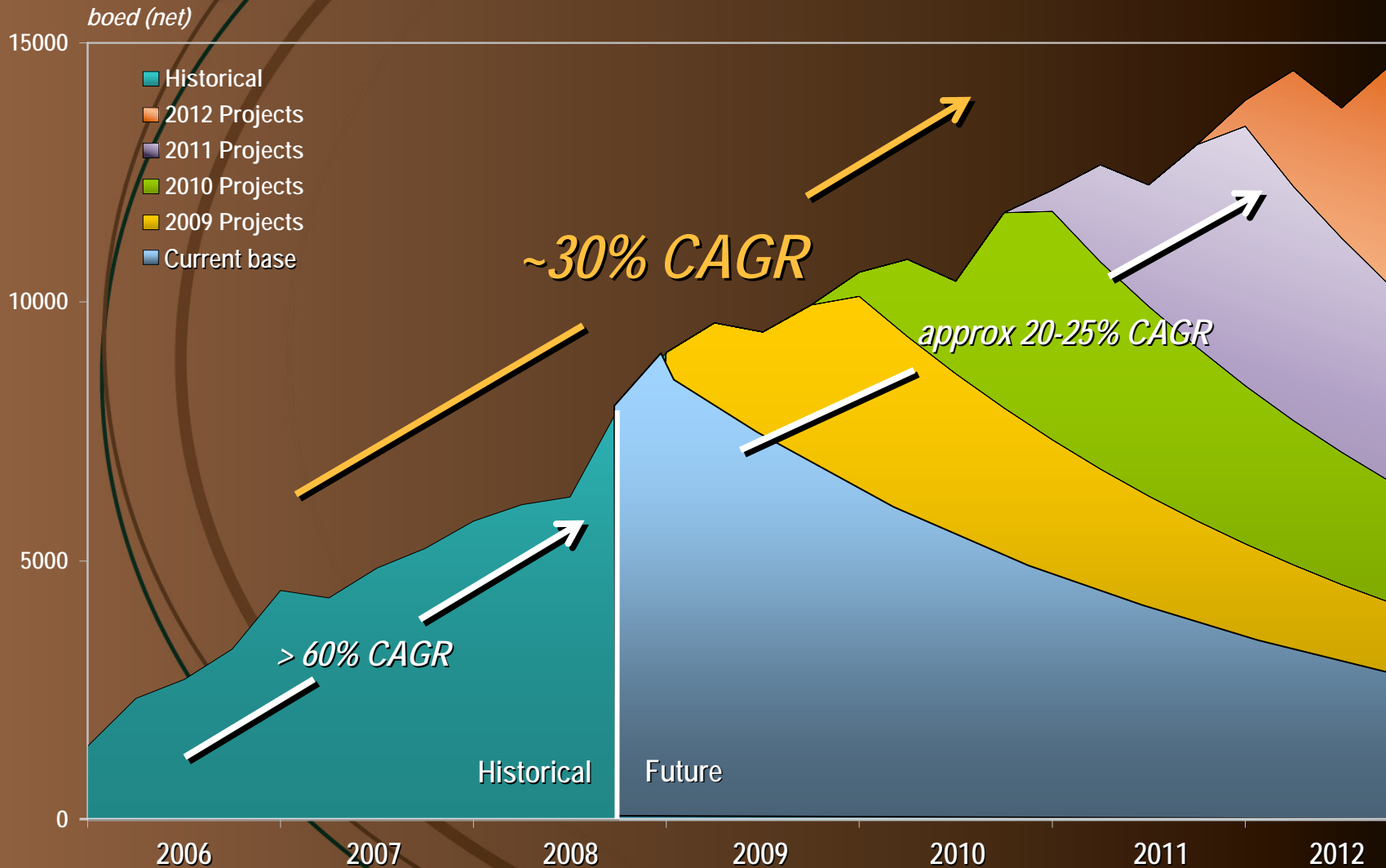
Price assumptions and sensitivities

- Gas - \$7.10 CDN/GJ AECO (Vero realized \$8.05 CDN/mcf)
- Oil - \$70.00 USD WTI (Vero realized \$80.00 CDN)
- \$1.00/mcf = \$0.13 cash flow per share (FD)



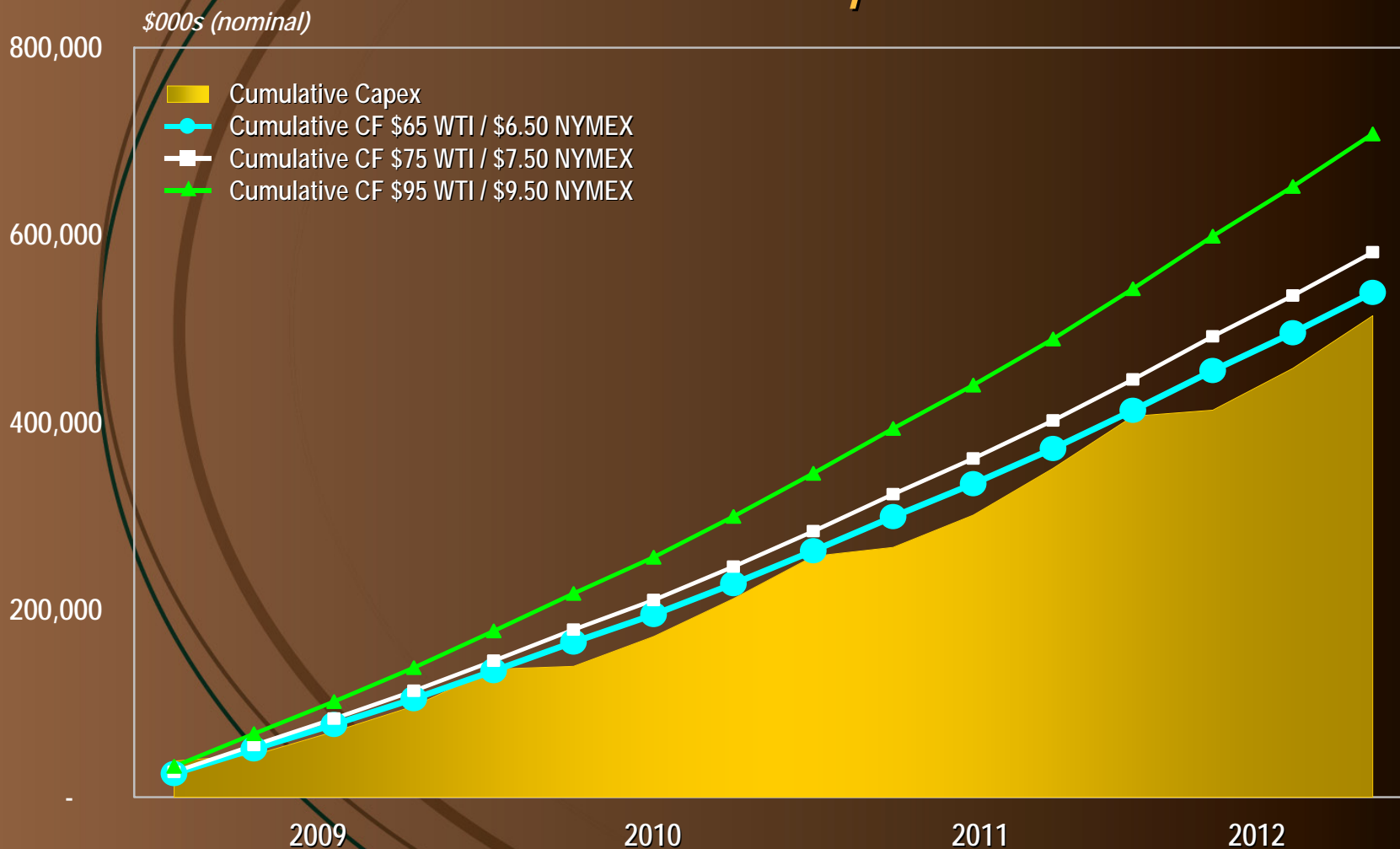
- Key is significant year over year growth using only cash flow and balance sheet intact

Vero's 4 Year Organic Growth Plan



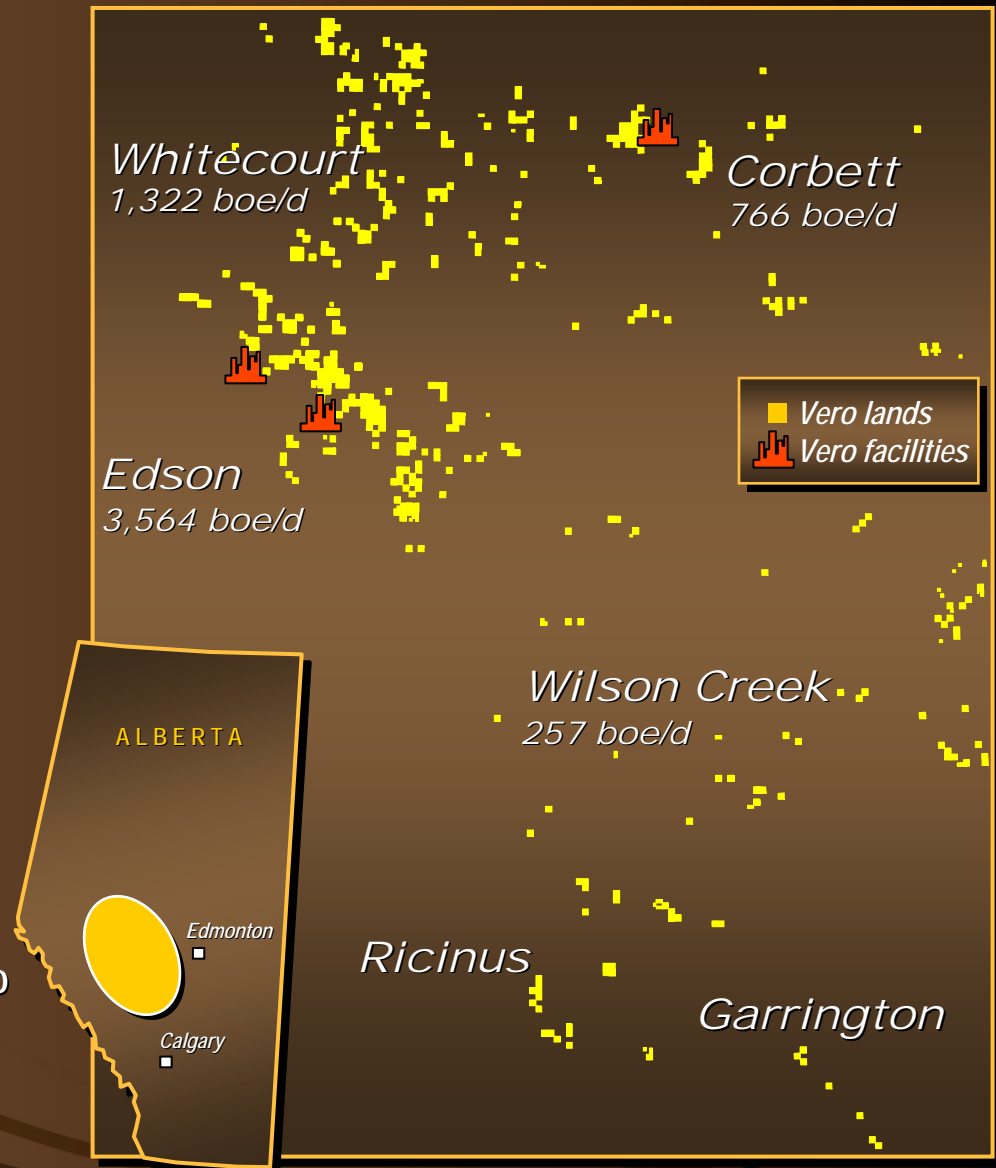
- Vero has a highly visible, high quality project inventory which will continue to mature over time
- Organic program growth is within projected cash flow forecast

Cumulative Capital / Cumulative Cash Flow



- Vero's low cost / high quality project inventory permits meaningful growth within cash flow, while allowing for the potential for acceleration should commodity prices improve

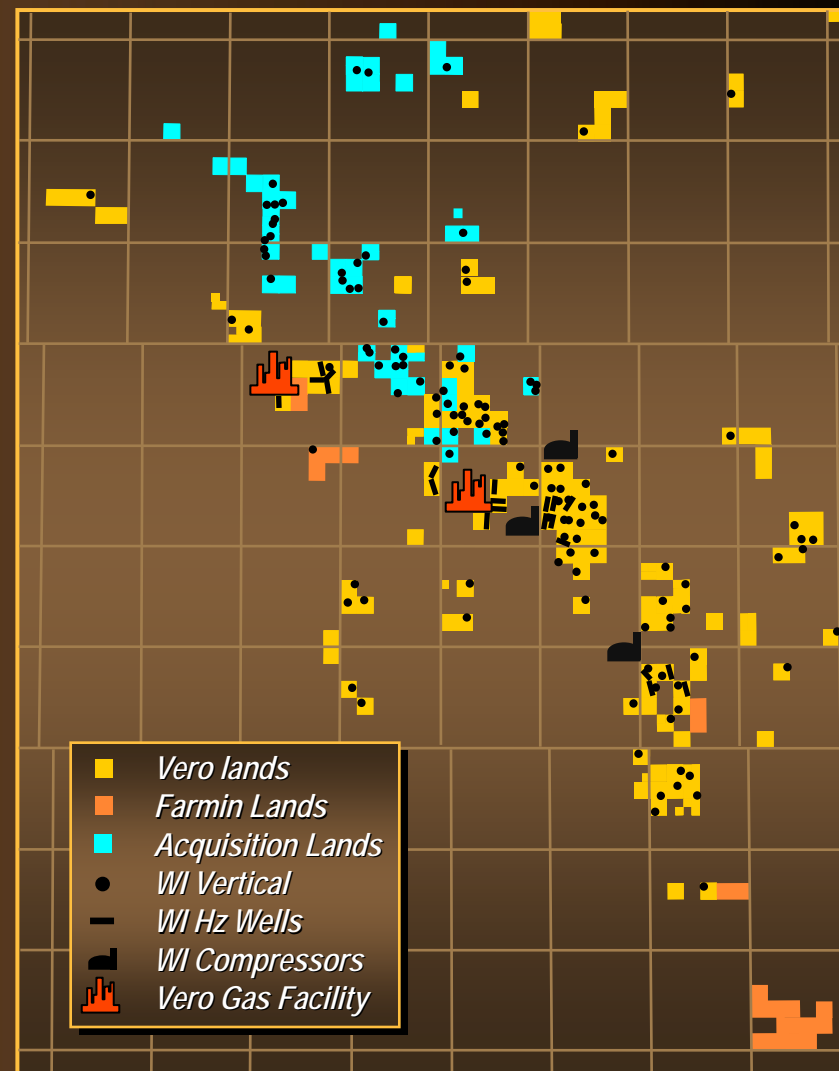
- Q3 average 6,236 boe/d
- Current field estimate > 8,100 boe/d (81 % gas)
 - 7 (4.5 net) wells to be completed / tied-in
- 2008: Plan 34 - 36 (26.0 to 28.0 net) wells
 - To date 33 (24.4 net) wells @ 98% success
- Inventory of 245+ locations
 - 220 Deep locations (multi-zone)
 - 25 Shallow locations
- Land
 - 175,000 net undeveloped acres
 - 20,800 acres of current farm in lands
- Facilities
 - 2 - 100% gas processing facilities
 - 1 new 100% compression dehy facility
 - 1 - 100% oil battery
- Targets
 - Edmonton, Belly River, Cardium, Viking, Mannville, Rock Creek, Nordegg and Pekisko
 - 400 -2,500 meters



- Q3 average 3,564 boe/d
 - Current 5,500 boe/d
- 2008 Plan 26 - 27 (19.7 – 20.7 net) wells
 - 24 (17.7 net) drilled to date
 - 13 (11.2 net) horizontal drills
- 43,261 net undeveloped acres
- Active farm-in area; 15,680 highly prospective acres
- 61 km² of 3D seismic shot in H2 '08
- Latest acquisition all in Edson

Deep Basin Play

- Liquids rich (15-30 bbls/mmcf) gas saturated reservoir
- Multi-zone potential from 1,500 – 2,500 m
- Typical well (\$drill / complete, 3 month IP, reserves)
 - Vertical \$1.6 mm, 750 mcf/d, 750 mmcf
 - Horizontal \$3.1 mm, 1.5 mmcf/d, 2.0 bcf
- Horizontal wells (3000 – 3500 meters MD)
 - 19 producing and 2 drilling, 2 being completed
 - Up to 2 more to be drilled in 2008
- Over 125 locations identified
 - 50% plus to be horizontals



• Private Company

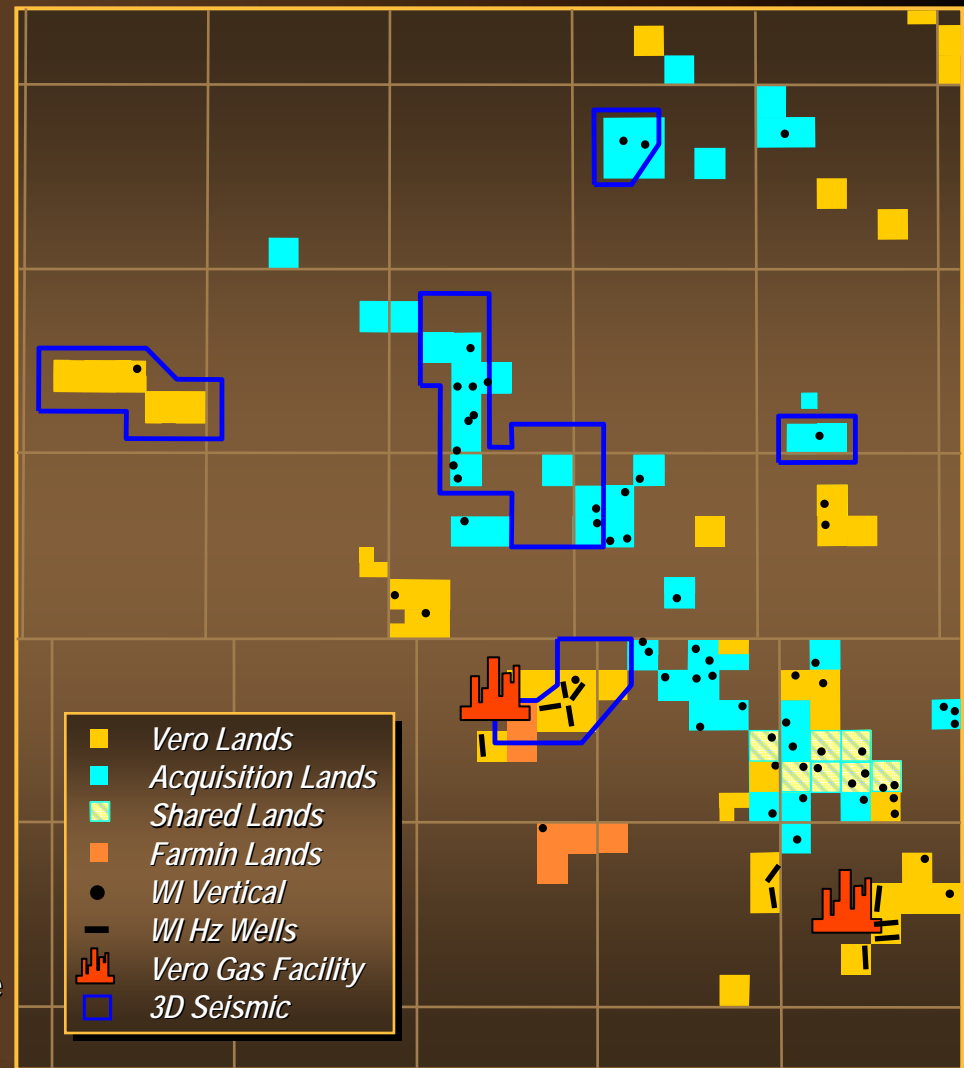
- High working interest (65%)
- 800 boe/d (85% liquids rich gas)
- 2.05 mmboe 2P reserves *, 70% proved *
- 15,750 net undeveloped acres (majority at 100%)
- 25 locations identified, 17 horizontals
- 4 proprietary 3D's (61 km²) and 1 trade 3D (26 km²)
- 1,300 km trade 2D seismic

• Metrics - \$32 mm *

- \$8 mm debt and transaction costs
- 3.8 mm Vero shares
- \$ 40,000 / producing boe
- \$ 35,000 / producing boe (less land and seismic) *
- \$ 15.60 / boe 2P reserves
- \$ 13.66 / boe 2P (less land and seismic) *

• Key take-aways

- Added over one years drilling inventory to Vero
- Close to Vero owned and operated infrastructure
- No Reserves booked with horizontal wells and upside
- Quick optimization adds



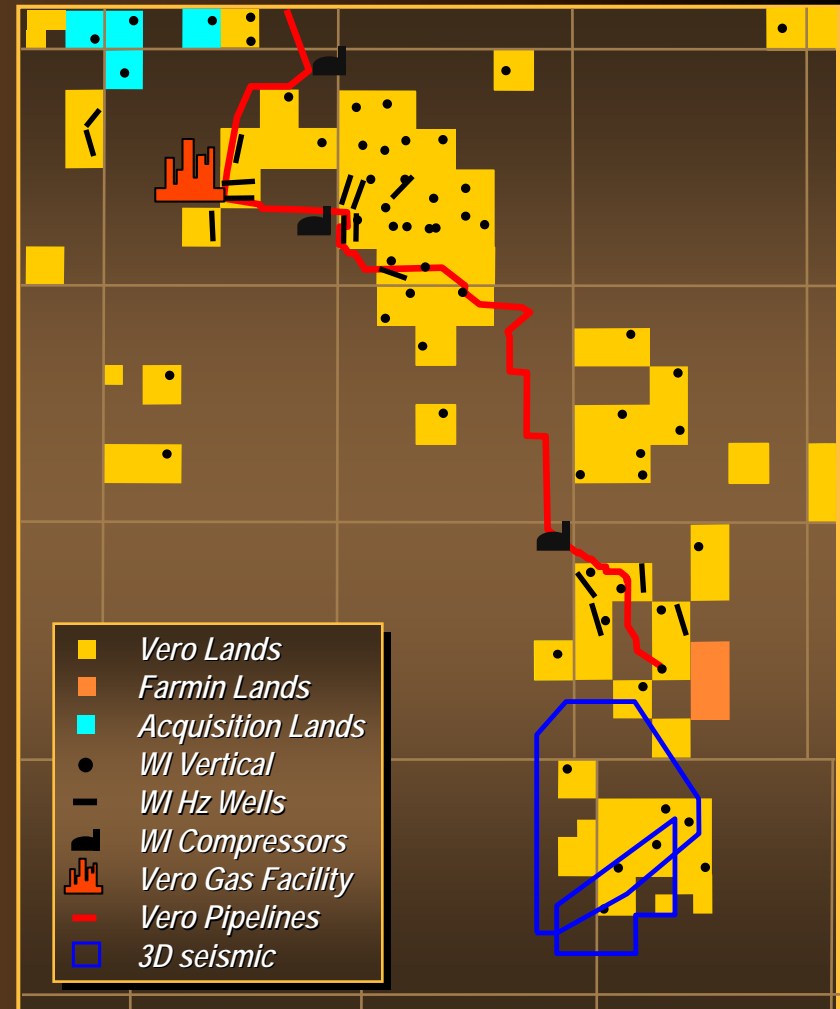
* Internally estimated

- 75 - 80% of 2009 budget
 - High repeatability – low risk
 - 99% success rate, 62 wells drilled in 3 years
 - High working interest - approx. 70%
 - Total control
 - Owned and operated facilities and infrastructure
 - Operate 95% of drilling operations
 - Current inventory 125 wells, 5 years of inventory
 - Very low field cost structure
 - \$ 4.50 / boe operating costs
 - \$ 1.18 / boe transportation costs
 - \$ 5.68 / boe (\$ 0.95 / mcf) field costs

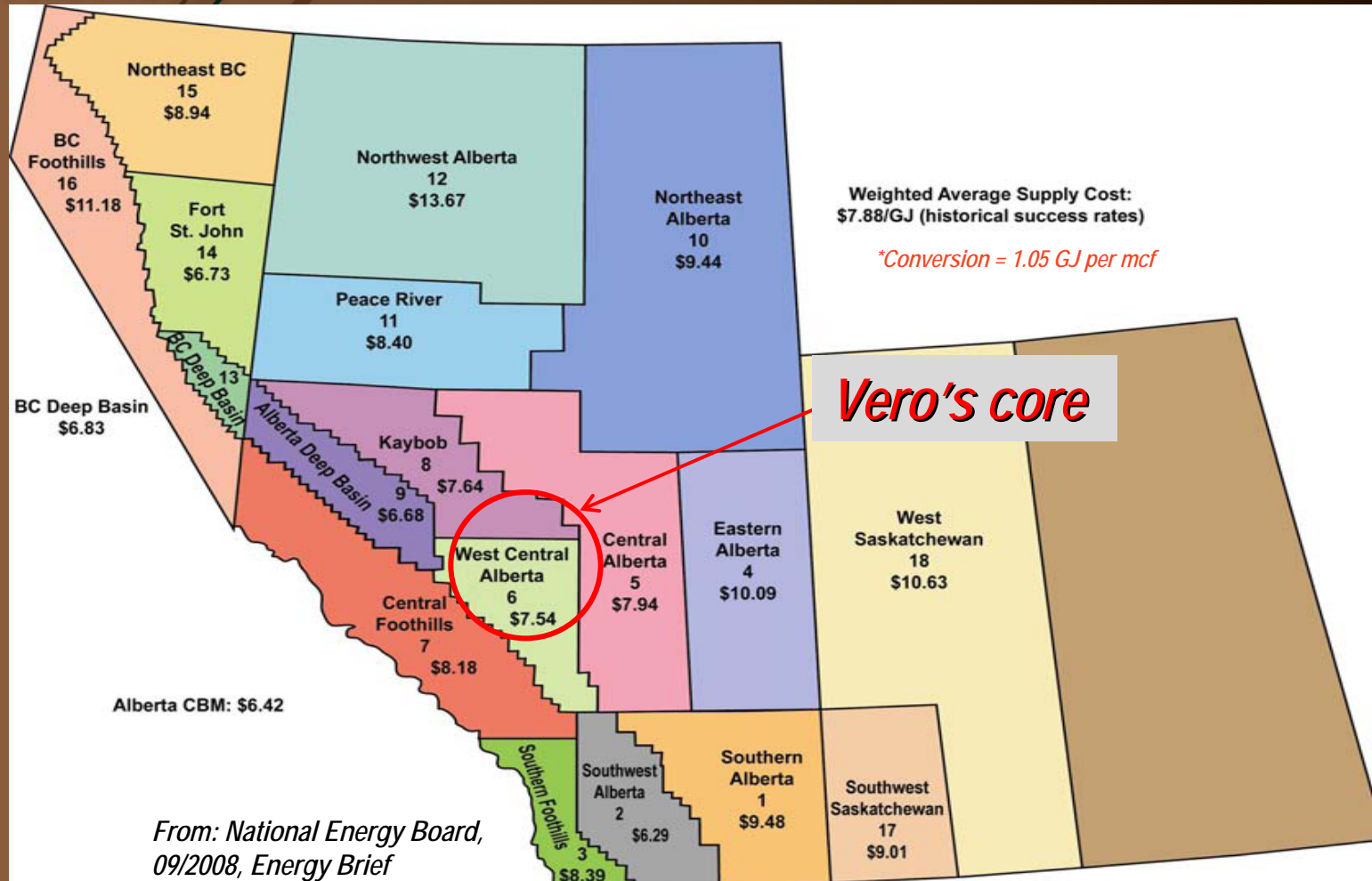
- Edson project economics *

- Past 12 month field netbacks	\$37.72 / boe
- 2007 finding and development cost	\$9.65 / boe
- Recycle ratio	3.9 x

- Vero cost structure makes this area very economic even with much lower commodity price environment



* Company estimates



- West Central Alberta / Kaybob areas supply cost (includes a rate of return assumption) averaged \$ 7.60 / GJ (\$ 8.00 / mcf) in 2007
- Vero's corporate supply cost is approximately \$ 6.00 / mcf (\$ 1.72 / mcf cash costs + \$ 1.90 / mcf F& D + ~ 30% royalty)
- Edson core, supply costs are < \$ 5.25 / mcf
- Recent reports and articles estimate Barnett supply costs at US\$ 7 - \$ 8 / mcf

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- Robert Bachynski, P.Land. VP Land
- Gerry Gilewicz, C.M.A. VP Finance & CFO
- Shane Manchester, P.Eng. VP Operations
- Les Kende, P. Eng., MBA VP Engineering

- Technical team providing top tier growth in a tough environment
- Repeatable – low risk portfolio of projects
- Focused on profitable growth within cash flow:
 - Production per share growth
 - Reserves per share growth
 - NAV growth
 - Cash flow growth
- Efficient operator providing top tier returns
 - Finding costs
 - Recycle ratios
 - ROCE
- Strong balance sheet and well capitalized
- Consistent and continually meet or exceed guidance and expectations
- Long term thinking has been and will continue to be a key
 - Ride through the cycles

- BMO Nesbitt Burns
- CIBC World Markets
- Dundee Securities
- FirstEnergy Capital
- GMP Securities
- Haywood Securities Inc.
- Macquarie Securities
- Maison Placements Canada
- Paradigm Capital
- RBC Capital Markets
- Thomas Weisel Partners
- Tristone Capital

This presentation contains forward-looking information. The reader is cautioned that assumptions used in the preparation of such information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company. The reader is cautioned not to place undue reliance on this forward-looking information.

In this presentation, production is stated in barrels of oil equivalent ("BOE") using a six to one conversion basis when converting thousands of cubic feet of natural gas to barrels of oil and a one to one conversion basis for natural gas liquids. Such conversion may be misleading, particularly if used in isolation. A 6:1 conversion ratio is based on energy equivalence between natural gas and oil at the burner tip and does not represent economic equivalence at the wellhead or point of sale.

The aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated future development costs generally will not reflect total finding and development costs related to reserves additions for that year.



2008 Third Quarter Financial Highlights

	Q3 '08	Q3 '07	%	Q2 '08	%
Average production (boe/d)	6,236	4,868	28	6,087	2
Cash flow (\$000s)	16,584	9,425	76	26,805	(38)
Cash flow per share (\$)	0.50	0.33	52	0.84	(40)
Cash flow netback (\$/boe)	28.91	21.05	37	48.38	(40)
Unit op costs (\$/boe)	6.80	6.15	11	6.13	11
G&A (\$/boe)	1.80*	1.63	10	1.94	(7)
Capital spending (\$000s)	48,234	18,522	160	16,411	194
Net debt (\$000s)	67,725	53,002	28	38,428	76
Debt/cash flow annualized	1.0x	1.4x	(29)	0.4x	150
Wells drilled (net)	8 (5.3)	10 (6.6)	(20)	6 (4.4)	20

*Q3 G&A Note: \$2.20 including one time bad debt (Semcams)



2007 Quarterly Financial Highlights

	Q4 '07	Q3 '07	Q2 '07	Q1 '07
Average production (boe/d)	5,241	4,868	4,290	4,430
Cash flow (\$000s)	11,662	9,425	9,693	10,504
Cash flow per share (\$)	0.40	0.33	0.33	0.41
Cash flow netback (\$/boe)	24.20	21.05	24.82	26.35
Unit op costs (\$/boe)	7.53	6.15	5.87	6.30
G&A (\$/boe)	1.25	1.63	2.84	1.74
Capital spending (\$000s)	20,412	18,522	5,621	26,898
Net debt (\$000s)	61,774	53,002	43,172	65,934
Debt/cash flow annualized	1.3x	1.4x	1.1x	1.6x
Wells drilled (net)	8 (6.3)	10 (6.6)	1 (0.3)	17 (10.9)



2006 Quarterly Financial Highlights

	Q4 '06	Q3 '06	Q2 '06	Q1 '06
Average production (boe/d)	3,301	2,713	2,350	1,427
Cash flow (\$000s)	7,835	6,280	5,854	4,133
Cash flow per share (\$)	0.31	0.24	0.23	0.20
Cash flow netback (\$/boe)	25.80	25.16	27.38	32.20
Unit op costs (\$/boe)	6.70	5.70	6.05	6.33
G&A (\$/boe)	1.66	1.55	2.65	2.28
Capital spending (\$000s)	17,966	15,556	12,544	11,024
Net debt (\$000s)	49,540	39,409	30,133	35,768
Debt/cash flow annualized	1.6x	1.6x	1.3x	2.2x
Wells drilled (net)	8 (5.3)	11 (6.2)	8 (3.8)	8 (5.8)



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