

## PRESS RELEASE

### VERO ENERGY INC. ANNOUNCES ITS FINANCIAL RESULTS FOR THE PERIOD ENDED DECEMBER 31, 2005

CALGARY, Alberta - March 20, 2006 – Vero Energy Inc. (TSX-VRO) today filed with Canadian securities authorities its Audited Financial Statements and Management Discussion and Analysis in respect thereof for the period ended December 31, 2005. Copies of the filed documents may be obtained through [www.sedar.com](http://www.sedar.com) or by visiting Vero's website [www.veroenergy.ca](http://www.veroenergy.ca).

Financial and operational highlights for the sixty days of operations in 2005 are as follows:

<i>Financial (\$000's except per share amounts)</i>	<b>2005</b>
Production revenue	<b>4,212</b>
Cash flow from operations	<b>1,896</b>
Per basic share	<b>0.20</b>
Per diluted share	<b>0.20</b>
Net earnings	<b>665</b>
Per basic share	<b>0.07</b>
Per diluted share	<b>0.07</b>
Capital expenditures	<b>13,875</b>
Working capital surplus	<b>8,031</b>
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<i>Share Capital (000's)</i>	
Basic, weighted average	<b>9,379</b>
Basic, end of period	<b>19,021</b>
Fully diluted	<b>20,621</b>
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<i>Daily Sales Volumes</i>	
Natural gas volumes (mcf/d)	<b>3,786</b>
Light oil (boe/d)	<b>271</b>
Liquids (boe/d)	<b>78</b>
Corporate (boe/d)	<b>980</b>
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<i>Average Prices Realized</i>	
Natural gas (\$/mcf)	<b>12.60</b>
Light Oil (\$/bbl)	<b>63.84</b>
Liquids (\$/bbl)	<b>66.83</b>
Corporate (\$/boe)	<b>71.65</b>
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<i>Netbacks (\$/boe)</i>	
Field	<b>44.88</b>
Cashflow	<b>32.24</b>
Corporate	<b>11.31</b>

All barrels of oil equivalent conversions use 6 Mcf to 1 barrel of oil.

## 2005 Highlights

- Vero increased its average daily production by 35% from 850 boed at the commencement of its operations to a December 31, 2005 exit rate of 1,150 boed.
- Cash flow was \$1.9 million (\$0.20 per share basic and diluted) for the two months of operations in 2005.
- Field netback of \$44.88 per boe and cash flow netback of \$32.24 per boe.
- Net earnings were \$665 thousand resulting in \$0.07 (basic and diluted) per share.
- Vero drilled 6 wells (3.8 net) in 2005 with a 66% success rate.
- Proved reserves of 2,429 mboe at December 31, 2005.
- Proved plus probable reserves of 3,469 mboe at December 31, 2005 with a reserve life index of 9.9 years.

## FINANCIAL REVIEW

The sixty days ended December 31, 2005 was the first period of operations for Vero following completion of the Plan of Arrangement amongst Vero, True Energy Inc. and TKE Energy Trust, which became effective on November 2, 2005. In this short time, the Company grew average daily production by 35% from when the properties were acquired under the Plan of Arrangement on November 2, 2005 to the end of the year. Vero was immediately profitable realizing \$44.88 for a field netback and \$32.24 as a cash flow netback. This in turn resulted in \$0.20 in cash flow per share (basic and diluted) and \$0.07 in net earnings per share (basic and diluted). The Company kicked off its operations with a strong cash position, which resulted mainly from the exercise of common share purchase warrants issued to former True Energy Inc. shareholders. In all, \$14.3 million in cash was received on these exercises. At the end of 2005 Vero had an \$8.4 million working capital surplus position. This surplus position was partially used to fund the corporate acquisition of Ledge Resources Limited, which closed on February 24, 2006.

Vero employed its capital strategically and effectively in its short existence. The Company added 1.5 million barrels of oil equivalent (proved and probable) at a cost of \$10.09 per boe. Given the significantly increased costs of acquiring land as well as the cost of drilling wells that the industry is experiencing, this finding and development rate has yielded strong value for the capital employed.

## FINANCIAL STATEMENTS

Below is selected financial statement information for 2005. Vero was incorporated on September 23, 2005 and commenced active operations on November 2, 2005 following completion of the Plan of Arrangement. For full disclosure of financials statements with notes and the Management, Discussion and Analysis, please visit our website or SEDAR.

### VERO ENERGY INC.

#### Statement of Operations and Retained Earnings

For the Ninety-Nine Days Ended December 31,  
(thousands, except per share data)

	<u>2005</u>
<b>REVENUE</b>	
Production revenue	4,212
Royalties	(1,083)
	<u>3,129</u>
<b>EXPENSES</b>	
Operating	401
Transportation	90
General and administrative	439
Stock-based compensation	103
Interest and bank charges	11
Depletion, depreciation and accretion	876
	<u>1,920</u>
<b>INCOME BEFORE INCOME TAXES</b>	<b>1,209</b>
<b>INCOME TAX EXPENSE</b>	
Current	292
Future	252
	<u>544</u>
<b>NET EARNINGS</b>	<b>665</b>
<b>RETAINED EARNINGS, BEGINNING OF PERIOD</b>	<b>-</b>
	<u>665</u>
<b>RETAINED EARNINGS, END OF PERIOD</b>	<b>665</b>
<b>NET EARNINGS PER SHARE</b>	
Basic	<u>0.07</u>
Diluted	<u>0.07</u>

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**VERO ENERGY INC.****Balance Sheet**

As at December 31, 2005

(thousands)

	<u>2005</u>
<b>ASSETS</b>	
<b>CURRENT</b>	
Cash and cash equivalents	12,523
Accounts receivable	6,013
Prepaid expenses and deposits	155
	<u>18,691</u>
Property and equipment	34,207
Future income tax benefit	232
	<u>53,130</u>
<b>LIABILITIES</b>	
<b>CURRENT</b>	
Accounts payable and accrued liabilities	9,988
Taxes payable	292
	<u>10,280</u>
Asset retirement obligations	380
	<u>10,660</u>
<b>SHAREHOLDERS' EQUITY</b>	
Share capital	41,703
Contributed surplus	103
Retained Earnings	665
	<u>42,471</u>
	<u>53,131</u>

# VERO ENERGY INC.

## Statement of Cash Flows

For the Ninety-Nine Days Ended December 31,  
(thousands) (audited)

	<u>2005</u>
<b>CASH FLOWS RELATED TO THE FOLLOWING ACTIVITIES:</b>	
<b>OPERATING</b>	
Net earnings	665
Adjustments for:	
Depletion, depreciation and accretion	876
Future income taxes	252
Stock-based compensation	103
	<u>1,896</u>
Changes in non-cash working capital	(4,037)
	<u>(2,141)</u>
<b>FINANCING</b>	
Proceeds from private placements	6,052
Proceeds from warrant exercises	14,338
	<u>20,390</u>
<b>INVESTING</b>	
Additions to petroleum and natural gas properties	(13,847)
Additions to administrative assets	(28)
Changes in non-cash working capital	8,149
	<u>(5,726)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	12,523
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	<u>-</u>
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<u><u>12,523</u></u>

Vero Energy Inc. is a Calgary based oil and natural gas exploration and development company. Vero's common shares trade on The Toronto Stock Exchange under the symbol "VRO". Please view the Vero Energy website at [www.veroenergy.ca](http://www.veroenergy.ca) for the latest corporate presentation and details of anticipated 2006 operations.

This press release shall not constitute an offer to sell or a solicitation of an offer to buy the securities in any jurisdiction. The common shares of Vero will not be and have not been registered under the *United States Securities Act of 1933*, as amended, and may not be offered or sold in the United States, or to a U.S. person, absent registration or applicable exemption therefrom.

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*Forward Looking Statements: Certain information regarding the Company in this news release including management's assessment of future plans and operations, production estimates, drilling inventory and wells to be drilled, timing of drilling and tie-in of wells, productive capacity of new wells, capital expenditures and the timing thereof, may constitute forward-looking statements under applicable securities laws and necessarily involve risks including, without limitation, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, inability to retain drilling rigs and other services, the timing and length of plant turnarounds and the impact of such turnarounds and the timing thereof, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources. As a consequence, the Company's actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly no assurance can be given that any events anticipated by the forward-looking statements will transpire or occur, or, if any of them do so, what benefits the Company will derive therefrom. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could effect the Company's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)), and the Company's website ([www.veroenergy.ca](http://www.veroenergy.ca)). Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.*

*BOE Disclosure: Disclosure provided herein in respect of barrels of oil equivalent (boe) may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf: 1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Mboe means thousands of barrels of oil equivalent.*

*Non-GAAP terms: this press release contains the terms "cash flow from operations" and "netbacks" which are not terms recognized under Generally Accepted Accounting Policies ("GAAP"). The Company uses these measures to help evaluate its performance. The Company considers corporate netbacks as a key measure as it demonstrates its profitability relative to current commodity prices. The Company considers cash flow from operations a key measure as it demonstrates the Company's ability to generate funds necessary to repay debt and to fund future growth through capital investment. Funds*

*generated from operations should not be considered as an alternative to, or more meaningful than, cash flow from operating activities as determined in accordance with Canadian GAAP as an indicator of Vero's performance. Vero's determination of cash flow from operations may not be comparable to that reported by other companies. The reconciliation between net income and cash flow from operations can be found in the statement of cash flows in the financial statements. Vero also presents funds generated from operations per share whereby per share amounts are calculated using weighted average shares outstanding consistent with the calculation of net earnings per share, which per share amount is calculated under GAAP.*

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