

NEWS RELEASE

For immediate release
January 10, 2006

VERO ENERGY INC. PROVIDES OPERATIONS AND PRODUCTION UPDATE AND 2006 GUIDANCE

Calgary, Alberta – January 10, 2006 - Vero Energy Inc. (TSX – VRO, “Vero” or the “company”) is pleased to announce that during the company’s initial two months of operations to December 31, 2005 the company participated in the drilling of 6 (3.8 net) wells in their west central Alberta core. Vero commenced completion and tie in operations of these wells and wells drilled prior to the formation of Vero on November 1st. There were 5 (2.6 net) wells brought on production and 7 (3.8 net) wells are to be brought on production throughout the first quarter of 2006 with 2 of these wells being new pool discoveries. Vero’s current production based on field estimates is 1250 BOED weighted 72% towards natural gas. Vero’s President, Doug Bartole remarks, “I am looking forward to the first full year of operations for Vero. The company has exceeded the targeted exit rate for 2005 and with the opportunities identified it is in a good position to achieve its goals for 2006.” The company also has 300 BOED of production behind pipe and anticipated to come on during the first quarter of 2006.

2006 Guidance

The Board of Directors of Vero has approved an initial capital budget of \$34 million for 2006. Approximately 75% of this amount is targeted towards the Company’s drilling program which will consist of approximately 30 gross wells. Vero plans on participating in drilling 8 to 10 wells this quarter. The company anticipates 2006 average production to be between 1800-2000 BOED (75% natural gas) and an exit rate of 2400-2700 BOED (75% natural gas) with the range based on the availability of services and cooperation of the weather. The budget will be reviewed quarterly by the Board as results become available and as the economic indicators unfold for the year. At this level of spending, it is projected that the Company will have a net debt position of approximately \$3.0 million resulting in a net debt to cash flow ratio of approximately 0.2. The 2006 capital budget will be funded by a combination of cash flow and the strong opening cash position resulting from the initial private placement and warrant conversions.

VERO ENERGY INC. is a publicly traded Canadian energy company involved in the exploration, development and production of oil, natural gas and liquids in western Canada. Vero’s current exploration and development activities are concentrated on Company operated properties in Alberta. The Company trades on The Toronto Stock Exchange under the symbol **“VRO”**.

The Toronto Stock Exchange has neither approved nor disapproved of the information contained herein. Investors are cautioned that the preceding statement of the Corporation may include certain estimates, assumptions and other forward-looking information. The actual future performance, developments and/or results of the Corporation may differ materially from any or all of the forward-looking statements, which include current expectations, estimates and projections, in all or part attributable to general economic conditions and other risks, uncertainties and circumstances partly or totally outside the control of the Corporation, including natural gas/oil prices, reserve estimates, drilling risks, future production of gas and oil, rates of inflation, changes in future costs and expenses related to the activities involving the exploration, development and production of gas and oil hedging, financing availability and other risks related to financial activities.

Boe's 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.

This press release shall not constitute an offer to sell or the 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 and may not be offered or sold in the United States absent registration or applicable exemption from the registration requirements.

For further information:

This press release is reproduced on Vero's website at www.veroenergy.ca. For this and other information about Vero Energy Inc., please visit the website.

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