



## **PRESS RELEASE**

### **VERO ENERGY INC. REPORTS YEAR END OPERATING RESULTS AND UPDATES 2008 GUIDANCE**

CALGARY, Alberta – January 8, 2008 - Vero Energy Inc. ("Vero" or the "Company") (TSX-VRO) is pleased to report that year end exit production based on field estimates is approximately 5,700 boed (79% natural gas), which exceeds the high end of our most recent year end exit production guidance. In the quarter, Vero participated in the drilling of 8 (6.3 net) wells with a success rate of 100% including four new pool discoveries. Currently 7 (4.3 net) wells are awaiting either completion or tie in.

Highlights for the fourth quarter include the completion of Vero's Edson 100% working interest, 20 MMCFD, expandable gas processing facility. The facility was running in early December but was delayed in getting to full operational capacity until the last week of December due to third party issues relating to the tie-in to the main sales gas transmission system. The new facility eliminates restrictions on production that were caused by high and increasing line pressures and will allow for continued growth from Vero's drilling program in the area. In Edson, 6 (4.3 net) wells were drilled in the quarter including 1 (0.7 net) horizontal Rock Creek well. Vero received regulatory approval for the down-spacing of more land in the Edson area. There are now 35 sections approved for the drilling of two wells per pool, per section and an additional 13 sections are awaiting approval. Edson currently has over 60 drilling locations with the current potential to drill up to 50% of these as horizontal wells. Vero acquired six sections of crown land in the quarter continuing on the strategy of acquiring high-grade, "ready to drill sections". At Corbett 1 (1.0 net) well was drilled in the quarter. This area continues to grow and now has production over 850 boed (45% oil) based on field estimates. In addition, the Company increased capacity and reduced the field suction pressure by optimizing compression at the 100% owned facility. The Company is in the process of optimizing and leveling out production in these fields with the addition of the new facilities along with new wells recently brought on production.

#### 2008 Guidance and Capital Budget

The Company currently has three operated drilling rigs working and will therefore have a very active first quarter. Plans for the first quarter are to drill 10-12 (7.3-8.8 net) wells including 4 (2.9 net) horizontal wells. With the exit production of 5,700 boed, the current optimization process underway, wells currently waiting to be put into production and a quick start to the new year with regards to the drilling program, the Company is increasing its previous average guidance for 2008 to 6,000-6,400 boed from 5,800-6,200 boed. Vero's Board of Directors has approved an initial capital budget of \$50 MM for 2008, which is less than estimated cash flow. Capital spending for 2008 will be focused

primarily on drilling as less facility infrastructure is expected to be needed due to the extensive facility work done in 2007. The 2008 drilling program is currently anticipated to consist of approximately 30-32 (22-23.5 net) wells, which are highlighted by higher working interests than those participated in by Vero in the past. With budgeted 2008 drilling rates, the Company has over three years of drilling inventory.

Vero is currently forecasting an estimated fourth quarter, 2008 net debt to cash flow ratio of less than one while providing yearly average production growth of 38%. The capital budget will be continually reviewed and changes made on a quarterly basis as circumstances dictate. Vero believes that 2008 will provide a number of opportunities which fit with the management teams' philosophy of building a company with a long term view and strategy. Vero will continue to manage its business in a prudent and efficient manner and this will ensure that profitable growth and sustainability occurs for its shareholders.

Vero Energy Inc. is a publicly traded Canadian energy company involved in the exploration, development and production of oil, natural gas and liquids in Alberta. The Company's shares trade on The Toronto Stock Exchange under the symbol "**VRO**". Please visit our website for the latest presentation.

The Toronto Stock Exchange has neither approved nor disapproved of the information contained herein.

## **READER ADVISORY**

*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.*

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