



PRESS RELEASE

VERO ENERGY INC. ANNOUNCES THIRD QUARTER 2011 FINANCIAL AND OPERATING RESULTS

CALGARY, Alberta – November 14, 2011 - Vero Energy Inc. (TSX – VRO, “Vero” or the “Company”) announces its financial and operating results for the third quarter of 2011.

Third Quarter 2011 Highlights

- ✓ Daily volumes increased 11% to 9,262 boe/d over 8,335 boe/d from the third quarter of 2010.
- ✓ Achieved funds flow from operations of \$15.1 million, equating to \$0.31 per share (basic and diluted).
- ✓ Increased oil production by 110% to 1,339 bbls/d from 639 bbl/d in the same quarter of 2010.
- ✓ Production revenue increased by 29% in the third quarter to \$31.4 million from the same quarter in 2010.
- ✓ Achieved an operating netback of \$21.43 per boe and funds flow netback of \$17.71 per boe representing a 12% and 13% increase respectively, in the third quarter of 2011 versus 2010.
- ✓ Drilled 7 (5.7 net) horizontal wells with a 100% success rate. Of the seven wells, 5 (4.1 net) targeted Cardium oil.

Fourth Quarter 2011 Update

- ✓ Current production based on field estimates is approximately 9,600 boe/d (75% natural gas).
- ✓ Drilled and completed 2 (1.7 net) Notikewin wells which are on production and drilled 2 (0.7 net) Cardium wells which will be completed shortly and expected to be on production in early December.

Selected financial and operating highlights for the third quarter of 2011 with comparisons to the third quarter of 2010 are set out below and should be read in conjunction with Vero's financial statements for the period ended September 30, 2011 as follows:

<i>Financial (\$000's except per share amounts)</i>	Three Months ended September 30,			Nine months ended September 30,		
	2011	2010	%	2011	2010	%
Production revenue	31,365	24,295	29	97,097	81,250	20
Funds flow from operations ⁽¹⁾	15,085	12,002	26	50,976	41,479	23
Per basic share	0.31	0.28	11	1.04	0.96	8
Per diluted share	0.31	0.26	19	1.04	0.94	11
Net earnings (loss)	859	(1,575)	155	4,297	2,356	82
Per basic share	0.02	(0.04)	150	0.09	0.05	80
Per diluted share	0.02	(0.04)	150	0.09	0.05	80
Capital expenditures, net	27,240	32,136	(15)	94,825	86,192	10
Net debt ⁽²⁾	167,322	131,978	27	167,322	131,978	27
Share Capital (000's)						
Basic, weighted average	48,990	43,515	13	48,972	43,409	13
Basic, end of period	48,992	43,527	13	48,992	43,527	13
Fully diluted	53,570	47,394	13	53,570	47,394	13
Daily Production						
Natural gas volumes (mcf/d)	42,244	39,076	8	42,631	40,683	5
Light oil (bbl/d)	1,339	639	110	1,118	558	100
Natural gas liquids (bbl/d)	883	1,183	(25)	1,121	1,245	(10)
Corporate (boe/d)	9,262	8,335	11	9,344	8,583	9
Realized Commodity Prices						
Natural gas (\$/mcf)	3.99	3.93	2	4.11	4.48	(8)
Light Oil (\$/bbl)	86.60	70.38	23	89.10	72.67	23
Natural gas liquids (\$/bbl)	63.91	55.31	16	72.07	60.07	20
Corporate (\$/boe)	36.81	31.68	16	38.06	34.68	10
Netbacks (\$/boe)						
Operating ⁽⁴⁾	21.43	19.16	12	24.02	21.26	13
Funds flow	17.71	15.66	13	19.98	17.70	13
Wells drilled						
Gross	7	9	(22)	25	21	19
Net	5.7	7.2	(21)	19.7	17.8	11

(1) Funds flow from operations is calculated as funds provided by operating activities from the statement of funds flows, adding change in non-funds working capital and decommissioning expenditures. Funds flow from operations is used to analyze the Company's operating performance and leverage. Funds flow from operations does not have a standardized measure prescribed by International Financial Reporting Standards ("IFRS") and therefore may not be comparable with the calculations of similar measures for other companies.

(2) Net debt represents current assets less current liabilities (excluding bank debt) and bank debt (but excludes the potential future liability related to the mark-to-market measurement of derivative contracts). Net debt does not have a standardized meaning prescribed by IFRS and it is therefore unlikely to be comparable to similar measures presented by other companies.

(3) All barrels of oil equivalent conversions use 6 mcf to 1 barrel of oil.

(4) Operating netback equals total revenue less royalties, transportation and operating costs calculated on a per boe basis. Funds flow netback equals the operating netback less cash finance costs, general and administrative costs, realized gains and losses on derivative contracts, plus any interest income. Operating netback and funds flow netback do not have a standardized measure prescribed by IFRS and therefore may not be comparable with the calculations of similar measures for other companies.

FINANCIAL REVIEW

As a percentage of corporate production, liquids (oil and natural gas liquids) accounted for 24% of total production in the third quarter of 2011. Given the strong prices realized for Vero's oil and high quality NGL production, aggregate liquids revenue accounted for approximately 51% of total revenue during the third quarter. Total production increased by 11% over the third quarter of 2010 to average 9,262 boe/d. For the year to date daily production was 9% higher at 9,344 boe/d from 8,583 in 2010. The increase in aggregate production levels accompanied by the increased contribution from the higher priced liquids production, delivered funds flow for the third quarter of \$15.1 million. This translated into \$0.31 per share on both a basic and diluted per share basis. The third quarter operating expenses averaged \$8.58 per boe while for the year to date they were only 1% higher than the same period in 2010 at \$8.22 per boe.

Royalty expense was higher in the third quarter at \$5.45 per boe as increased oil prices, gross over-riding royalties on new wells and certain gas wells that quickly achieved their maximum 5% new well royalty rate all contributed to the increase from \$3.40 in the third quarter of 2010. For the year to date, royalty expense was 17% higher at \$4.40 per boe as compared to \$3.77 in 2010. Operating netbacks increased by 12% to \$21.43 per boe and funds flow netbacks increased by 13% to \$17.71 per boe in the third quarter versus the same quarters in 2010. The Company realized \$859 thousand in net earnings for the third quarter or \$0.02 per share (basic and diluted). This compares to a \$1.6 million loss realized in the third quarter of 2010. For the year to date in 2011 net earnings were \$4.3 million. This translated into \$0.09 per share (basic and diluted) compared to \$0.05 (basic and diluted) for 2010.

Vero spent \$32.2 million on its exploration and development program during the third quarter. 83% or \$26.7 million of the capital program was devoted to drilling and completions while \$4.6 million or 14% was spent on facilities and tie-ins. Vero also disposed of a non-core asset which included undeveloped lands and approximately 50 boe/d of production for net proceeds of \$4.9 million. Total net debt amounted to \$167 million at September 30, 2011, including bank debt of \$138 million.

OPERATIONAL REVIEW

During the quarter, the Company participated in the drilling of 7 (5.7 net) horizontal wells. Of the seven wells, 5 (4.1 net) were Cardium oil wells, 1 (0.6 net) was a Wilrich gas well and the remaining 1 (0.97 net) was a Notikewin gas well. For the nine months to date, Vero has drilled a total of 25 (19.9 net) wells with a 96% success rate. Over the end of the quarter Vero had 3 (2.1 net) wells drilling; 1 (0.3 net) was a Cardium oil well and the other 2 (1.7 net) were Notikewin gas wells. These two wells were recently placed on production with initial choked rates of over 750 boe/d.

During the quarter a new Wilrich well in close proximity to our main Edson facility was placed on production offsetting a Wilrich well drilled one and a half years ago. This well

was drilled on a different orientation than the first and completed with fracture intervals of 75 to 100 meters versus 150 to 200 meters in the first well. The well averaged approximately 500 boe/d over the first two months and is still producing at rates and pressures approximately thirty percent higher than the original well. One Notikewin well in the quarter experienced difficulties during drilling. Intermediate casing was set but at this point in time has not been completed. The Company is currently determining how to continue operations on this well. These difficulties coupled with gas well drilling that started later in the third quarter than previously planned has resulted in significant delays in the gas portion of the drilling program. Also one booster gas compressor was added in the quarter.

Cardium drilling during the quarter continues to meet or exceed our type curves. Seven wells brought on during the quarter averaged approximately 200 boe/d over their first thirty days of production. Four of these wells averaged approximately 162 boe/d over their first ninety days. The focus for the fourth quarter will be on Cardium light oil.

For the fourth quarter, Vero expects to finish drilling and complete the three wells already started and further drill 4 (2.7 net) wells all of which are Cardium oil wells. This will bring total drilling for 2011 to 32 (24.6 net) wells of which 19 (13.9 net) will be Cardium oil wells and 7 (6.1 net) will be liquids rich Notikewin gas wells.

Production for the third quarter was 9,262 boe/d and was comprised of 76% natural gas. Third quarter production was impacted by ten third party turnarounds, which brought average production for the quarter down by approximately 400 boe/d. Delays in drilling and timing of bringing on gas production resulted in another change of 200 boe/d in the quarter.

OUTLOOK

Canadian natural gas prices for the fourth quarter are currently estimated to average \$3.55 per mcf which will result in the lowest priced quarter of the year. This price is also consistent with the current forward strip price for natural gas for all of 2012. Recent rig day rates have seen an increase of approximately six to eight percent and over the past year it is estimated that service costs have increased by between fifteen to twenty percent. Therefore with the current level of natural gas prices and increased industry costs Vero does not have plans to drill any new gas locations in the fourth quarter.

Contrary to natural gas, oil prices are extremely robust with the fourth quarter of 2011 estimated to average approximately \$95 per barrel with the current strip for 2012 even higher. Therefore, the Company currently has one operated drilling rig targeting Cardium light oil for the remainder of 2011 even though Vero's oil wells typically average three to five times less initial production than gas wells. Depending on partner activities and timing, there could be 2-3 (0.7-1.0 net) non-operated Cardium locations

drilled as well. Operating netbacks in this play currently are over \$65 per boe and this is a prudent strategy for the Company.

As a result of this strategic shift to drilling all oil wells as well as the recent turnarounds of non-operated facilities, and delays in adding the higher relative volume gas wells Vero currently estimates that 2011 annual production will average 9,200-9,400 boed with associated exploration and development capital of \$120-125 mm.

Vero continues to grow oil production and as a result is adding significant value. Oil prices remain strong and even though there is potential volatility with the current European debt crisis, prices should remain strong for the year to come and beyond. Significant value potential occurs around Vero's Duvernay rights. Industry land sales and activity have generated excitement around the Duvernay in and around the West Central area of Alberta. Vero has fifty net sections that management believes is in the wet gas and/or oil window. The Company has some lands around the record August land sale parcel, and a large portion of our lands are in proximity to the large land sales in late October/early November. There are still no plans to spend capital on the Duvernay in 2012 as we continue to monitor offsetting drilling.

The Company is still actively working on the disposition of non-core assets that are not expected to have activity in near and midterm drilling plans. Capital expenditure plans and related guidance for 2012 are anticipated to be provided early in the new year.

Selected financial and operating highlights for the third quarter of 2011 with comparisons to the third quarter of 2010 are set out below:

VERO ENERGY INC.

Balance Sheet

(in thousands of Canadian dollars) (unaudited)

	September 30, 2011	December 31, 2010	January 1, 2010
ASSETS			
CURRENT			
Accounts receivable	24,291	27,458	29,541
Prepaid expenses and deposits	3,304	3,241	4,566
Derivative contracts	2,018	-	2,289
	29,613	30,699	36,396
Derivative contracts	280	-	-
Property, plant and equipment	410,285	352,007	272,343
Exploration and evaluation assets	14,474	19,495	15,302
Goodwill	19,913	19,913	19,913
	474,565	422,114	343,954
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities	56,998	60,349	49,574
Derivative contracts	-	1,422	1,132
Bank debt	137,919	94,164	77,719
Deferred liability	-	5,062	-
	194,917	160,997	128,425
Derivative contracts	-	-	113
Decommissioning liabilities	11,693	9,346	7,960
Deferred taxes	27,357	18,013	13,422
	233,967	188,356	149,920
SHAREHOLDERS' EQUITY			
Share capital	216,678	216,174	180,617
Contributed surplus	13,243	11,204	9,610
Retained earnings	10,677	6,380	3,807
	240,598	233,758	194,034
	474,565	422,114	343,954

VERO ENERGY INC.

Statement of Comprehensive Income (Loss) For the three and nine month periods ended September 30, *(in thousands of Canadian dollars, except per share data)(unaudited)*

	Three months ended September 30,		Nine months ended September 30,	
	2011	2010	2011	2010
REVENUE				
Petroleum and natural gas sales	31,365	24,295	97,097	81,250
Royalties	(4,646)	(2,610)	(11,217)	(8,827)
	26,719	21,685	85,880	72,423
EXPENSES				
Operating	7,308	5,750	20,971	19,000
Transportation	1,153	1,245	3,631	3,614
(Gains) losses on derivative contracts	(2,902)	1,067	(2,879)	(2,239)
General and administrative	1,581	1,902	4,548	5,004
Share based compensation	538	636	1,867	2,357
Loss on disposal of assets	1,436	-	1,436	476
Exploration and evaluation	2,324	680	5,357	2,292
Depletion and depreciation	12,105	10,904	37,169	32,030
	23,543	22,184	72,100	62,534
NET EARNINGS (LOSS) BEFORE FINANCE AND TAXES	3,176	(499)	13,780	9,889
FINANCE				
Finance income	17	-	35	190
Finance expenses	(1,807)	(1,517)	(5,223)	(4,387)
	(1,790)	(1,517)	(5,188)	(4,197)
NET EARNINGS (LOSS) BEFORE TAXES	1,386	(2,016)	8,592	5,692
TAXES				
Deferred tax expense (recovery)	527	(442)	4,295	3,336
NET EARNINGS (LOSS) AND COMPREHENSIVE INCOME (LOSS)	859	(1,574)	4,297	2,356
NET EARNINGS (LOSS) PER SHARE				
Basic	0.02	(0.04)	0.09	0.05
Diluted	0.02	(0.04)	0.09	0.05

VERO ENERGY INC.

Statement of Cash Flows

For the three and nine months ended September 30,

(in thousands of Canadian dollars) (unaudited)

	Three months ended September 30		Nine months ended September 30	
	2011	2010	2011	2010
CASH FLOWS RELATED TO THE FOLLOWING ACTIVITIES:				
OPERATING				
Net earnings (loss)	859	(1,574)	4,297	2,356
Adjustments for:				
Unrealized (gain) loss on derivative contracts	(2,970)	1,718	(3,721)	(1,607)
Share based compensation	687	636	1,825	2,357
Depletion and depreciation	12,105	10,904	37,169	32,030
Accretion of decommissioning liabilities	117	81	318	239
Exploration and evaluation expense	2,324	680	5,357	2,292
Loss on disposal of assets	1,436	-	1,436	476
Deferred tax expense (recovery)	527	(442)	4,295	3,336
	15,085	12,002	50,976	41,479
Decommissioning costs incurred	(1)	(23)	(7)	(288)
Changes in non-cash working capital	622	4,247	5,992	6,735
	15,706	16,226	56,961	47,926
FINANCING				
Increase in bank debt	5,111	911	43,755	30,559
Loans to officers / directors	-	-	-	2,289
Proceeds from stock option exercises	20	54	348	1,035
	5,131	965	44,103	33,883
INVESTING				
Additions to petroleum and natural gas properties	(32,043)	(30,036)	(98,638)	(80,967)
Additions to exploration and evaluation assets	(109)	(2,270)	(1,053)	(8,021)
Purchase of petroleum and natural gas assets	-	-	(40)	-
Additions to administrative assets	(39)	-	(45)	(3)
Proceeds on sale of petroleum properties	4,951	170	4,951	3,699
Changes in non-cash working capital	6,403	14,945	(6,239)	3,483
	(20,837)	(17,191)	(101,064)	(81,809)
NET DECREASE IN CASH AND CASH EQUIVALENTS				
	-	-	-	-
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD				
	-	-	-	-
CASH AND CASH EQUIVALENTS, END OF PERIOD				
	-	-	-	-

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". Vero's latest presentation will be available on the Company's website on November 14, 2011.

READER ADVISORY

Forward Looking Statements: Certain information regarding the Company in this news release including management's assessment of future plans and operations, current production estimates, forecast production estimates, initial production rates, drilling inventory and wells to be drilled, timing of drilling and tie-in of wells, productive capacity of new wells, potential prospectivity of our Cardium lands, future commodity mix, capital expenditures and the timing thereof and the potential impact of our capital expenditure plans on our corporate netbacks and corporate valuation 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), and the Company's website (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.

This press release is reproduced on Vero's website at www.veroenergy.ca. Also for the latest presentation and other information about Vero Energy Inc., please visit the website (www.veroenergy.ca).

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