



PRESS RELEASE

VERO ANNOUNCES INCREASE IN CREDIT FACILITY AND PROVIDES A CORPORATE UPDATE

CALGARY, Alberta - May 18, 2011 – Vero Energy Inc. (“Vero” or the “Company”) is pleased to announce that it has concluded its 2011 credit facility review with its banking syndicate and provides a corporate update.

The Company has received a proposal from the syndicate to increase its existing credit facility by \$30 million bringing the total facility to \$170 million. This 21% increase from the previous borrowing base of \$140 million is a direct result of Vero’s strong drilling program results in 2010 and the first quarter of 2011. Canadian Imperial Bank of Commerce will continue to lead the current syndicate, which also includes Alberta Treasury Branch and The Bank of Nova Scotia.

The increased credit facility will augment the forecasted funds flow for 2011 of between \$88 and \$93 million (\$73 to \$78 million through the second to fourth quarter) and these combined resources is anticipated to provide more than sufficient capital and flexibility for Vero to execute its exploration and development capital program. The capital program is expected to deliver a robust, 17-23% increase in average production volumes over last year. The prudent deployment of Vero’s available capital, and emphasis on liquids production (forecast to be approximately 28% of total production for 2011) will leave the Company with a net debt to annualized funds flow ratio of between 1.2 and 1.4 times by the end of 2011. In addition, Vero is projecting solid net earnings of between \$17 and \$22 million during 2011.

“Vero is in its most flexible and best financial position since 2008 when the price of gas was over \$11 and oil was over \$140, compared to \$3.80 and \$90 currently,” said Doug Bartole, President and CEO. “Through successful drilling, the Company’s portfolio has developed more depth and balance with a larger number of targeted zones containing natural gas liquids and light oil than in 2008. Our cost structures and high quality, liquids rich product delivers netbacks similar to or higher than many oilier companies. These strong netbacks coupled with production growth will provide Vero shareholders a record year in cash flow and earnings in this lower commodity price environment than 2008.”

Vero’s current daily production has been slightly hampered recently by downtime at both operated and non-operated facilities due to forest fires and high winds that have knocked out power supplies. These events have the potential to continue in the near or intermediate term. Vero has been notified of a two week turnaround at a third party midstream facility in the Brazeau area that will occur in June. The Company has elected to start a planned 5-6 day turnaround early on its 35 MMCFD operated facility in Edson while it addresses compressor issues.

Current second quarter production estimates are expected to average approximately 10,700 - 11,200 boed (26% liquids) representing approximately a 26 – 32% quarterly increase. Vero's current productive capacity is approximately 11,500 boed with three Notikewin wells still producing at restricted rates. None of these expected short term production issues affect previously reported 2011 guidance of average production between 10,000 – 10,500 boed. As expected, operations in the field have been slow for the past few weeks due to spring breakup, however breakup is ending as completions have recently started and two drilling rigs will be starting in the next few weeks. The focus for the year will remain on drilling Cardium light oil horizontal wells and select high return, liquids rich natural gas horizontal wells.

The increased credit facility is subject to the execution of final documentation which is currently anticipated to be completed by May 31st. Please look for the updated presentation on the website on May 24th.

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 see the latest corporate presentation which is available on our website www.veroenergy.ca.

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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 including forecast second quarter and 2011 average rates, productive capacity and product mix of new and existing wells, funds flow expectations, forecast net debt and net earnings for 2011, ability to execute on our 2011 capital expenditure plans and the timing thereof, future oil and natural gas prices, future liquidity and financial capacity, the anticipated finalization of our increased credit facility with our bankers and timing thereof; future results from operations and operating metrics, forecast reductions in operating costs and prospectivity of our Cardium inventory 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, incorrect assessment of land values, 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. Forward looking statements or information is based on a number of factors and assumptions which have been used to develop such statements and information but which may prove to be incorrect. 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. In addition to other factors and assumptions which may be identified in this document and other documents filed by the Company, assumptions have been made regarding, among other things: the impact of increasing competition; the general stability of the economic and political environment in which the Company operates; the ability of the Company to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the ability of the operator of the projects which the Company has an interest in to operate the field in a safe, efficient and effective manner; the Company's ability to obtain financing on acceptable terms; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development or exploration; the timing and costs of pipeline, storage and facility construction and expansion; the ability of the Company to secure adequate product transportation; future oil and natural gas prices; currency, exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which the Company operates; and the Company's ability to successfully market its oil and natural gas products.

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.

Non-GAAP terms: This press release contains the term “funds flow from operations”, which is a non-GAAP measure. The Company uses this measure to help evaluate its performance as well as to evaluate acquisitions. The Company considers funds 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, funds flow from operating activities as determined in accordance with Canadian GAAP. Vero's determination of funds flow from operations may not be comparable to that reported by other companies.