



PRESS RELEASE

VERO ENERGY INC. ANNOUNCES 27% GROWTH IN PRODUCTION WITH ITS FIRST QUARTER OF 2009 FINANCIAL RESULTS

CALGARY, Alberta – May 13, 2009 – Vero Energy Inc. (“Vero” or the “Company”) (TSX-VRO) today announces its first quarter, 2009 financial results. Copies of the financial statements and management discussion and analysis in respect thereof for the quarter ended March 31, 2009 will be available, in due course, through www.sedar.com or by visiting Vero’s website at www.veroenergy.ca.

First Quarter 2009 Highlights

- ✓ Increased average daily production 27% to 7,352 boe/d in 2009 from 5,771 boe/d in the first quarter of 2008.
- ✓ Cash flow from operations was \$8.2 million equating to \$0.22 per share (basic and diluted).
- ✓ Capital invested, (excluding dispositions), was \$28.2 million.
- ✓ Achieved an operating netback of \$15.39 per boe and cash flow netback of \$12.38 per boe.
- ✓ Increased bank credit facility to \$115 million from \$90 million.
- ✓ Drilled 7 (6.4 net) wells with a 100% success rate including 1 (1.0 net) new pool discovery.

2009 Update

- ✓ Current production is approximately 7,700 boe/d based on field estimates.
- ✓ Bought-deal equity financing of 4 million shares for gross proceeds of \$15 million expected to close in late May.

Financial and operating highlights for the first quarter of 2009 with comparisons to the first quarter of 2008 are as follows:

<i>Financial (\$000's except per share amounts)</i>	Q1 2009	Q1 2008	% Change
Production revenue	22,135	31,168	(29)
Cash flow from operations	8,201	17,842	(54)
Per basic share	0.22	0.60	(63)
Per diluted share	0.22	0.59	(63)
Net (loss) earnings	(4,695)	3,783	(224)
Per basic share	(0.13)	0.13	(200)
Per diluted share	(0.13)	0.13	(200)
Net capital expenditures	28,177	19,888	42
Net debt	123,973	47,059	163
<i>Share Capital (000's)</i>			
Basic, weighted average	36,955	29,597	25
Basic, end of period	36,952	30,855	20
Diluted, weighted average	36,955	30,154	23
Fully diluted	40,098	33,295	20
<i>Daily Production</i>			
Natural gas volumes (mcf/d)	35,500	26,730	33
Light oil (boe/d)	426	567	(25)
Natural gas liquids (boe/d)	1,008	749	35
Corporate (boe/d)	7,352	5,771	27
<i>Average Prices</i>			
Natural gas (\$/mcf)	5.18	8.51	(39)
Light Oil (\$/bbl)	45.36	88.07	(48)
Liquids (\$/bbl)	42.23	86.89	(51)
Corporate (\$/boe)	33.45	59.35	(44)
<i>Netbacks (\$/boe)</i>			
Operating	15.39	36.86	(58)
Cash flow	12.38	33.98	(64)
<i>Wells drilled</i>			
Gross	7	8	(13)
Net	6.4	5.5	16

- (1) Cash flow from operations is calculated as cash provided by operating activities from the statement of cash flows, adding change in non-cash working capital and asset retirement expenditures. Cash flow from operations is used to analyze the Company's operating performance and leverage. Cash flow from operations does not have a standardized measure prescribed by Canadian Generally Accepted Accounting Principles and therefore may not be comparable with the calculations of similar measures for other companies.
- (2) Net debt represents current assets less current liabilities and bank debt (but excludes the potential future liability related to the mark-to-market measurement of hedges). It does not have a standardized meaning prescribed by Generally Accepted Accounting Principles 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. Operating netback and cash flow from operations netback do not have a standardized measure prescribed by Canadian Generally Accepted Accounting Principles and therefore may not be comparable with the calculations of similar measures for other companies.

OUTLOOK

Vero delivered solid performance despite a turbulent first quarter of 2009. During the quarter, Vero participated in the drilling of 7 (6.4 net) wells of which 4 (4.0 net) were horizontal wells, and had a drilling success rate of 100%. Edson, an area which we continue to believe is as profitable as any gas producing region in North America, was the primary focus where 5 (5.0 net) horizontal wells were drilled.

The first quarter of 2009 contained mixed economic messages, including: rapidly declining natural gas and oil prices, declining interest rates, declining rig counts and a late rebound in the equity markets from the preceding free-fall. The quarter presented a very challenging environment for producers renewing credit facilities amongst lenders who changed their forecasts as commodity prices declined. These challenges made forecasting and managing the business more difficult into the second quarter. During this difficult time Vero was able to secure an increase in its bank line to \$115 million from \$90 million while many other producers struggled to maintain their existing facilities. Recently there has been some better economic news as energy commodity prices appear to have bottomed and are strengthening.

North American natural gas drilling has declined by 50% since late September 2008, paving the way for the supply and demand imbalance to correct itself before the end of 2009. Persistently low commodity prices have provided an acid test of the economics of several emerging and established shale gas plays. Specifically, the average cost to get a return on shale gas in North America is becoming more apparent, all shale plays are not equal, and all of the plays are subject to huge variability. It is evident that current prices will not provide the return that is required to continue with profitable investment in natural gas. This is encouraging for prices as the supply, which now declines at higher rates than at any other time in history, will start to retreat. We look forward to price recovery, yet we believe that some caution is required as storage of natural gas and crude oil are at historically high levels. Therefore, there is still potential for volatility in the near term.

Vero has always been focused on the longer term sustainability and profitable growth. Our inventory and reserves are not disappearing, and therefore we look to resume our drilling program later in the third quarter.

With profitability in mind, the Company, in the first quarter, delayed tie-ins of over 800 boe/d of production for more than a month to take advantage of the Alberta government royalty stimulus for wells commencing production after April 1. As well, 400 boe/d of high operating cost production was shut in. We experienced approximately two weeks of downtime at our Edson facility due to the startup of the gas plant expansion in early January, and also a mechanical failure that required replacement of the main compressor engine in March.

Notwithstanding these issues, production still grew by 27% from the first quarter of 2008 to the first quarter of 2009. The Company's production averaged 7,800 boe/d in April and is currently estimated to be 7,700 boe/d based on field estimates. At the end of May a third party facility that currently processes approximately 2,500 boe/d of Vero production is scheduled for a two week turnaround. With that in mind, and a paced return to drilling activity, the company expects yearly production to average 7,500 boe/d which is at the lower end of our previous guidance. The recently announced equity financing, which is anticipated to close on or about May 21st, provides us the financial flexibility to carry out, or potentially expand our currently planned, 2009 capital spending of between \$45 and \$50 million. The currently remaining capital program for 2009 includes drilling 7 (6 net) wells, which includes 5 (4.5 net) horizontal wells. The anticipated production from these wells, depending on

timing, is expected to result in Vero achieving year-end exit production of between 8,000 – 8,500 boe/d.

As demonstrated throughout our history, Vero will draw heavily on its low operating and finding and developing cost capabilities to deliver solid results. With reduced operational activity for the next few months we will focus on optimizing production volumes and reducing both operating and capital costs. Vero believes it can position itself for a rapid and strategic return to activity to take advantage of what, we believe, will be an inevitable turnaround in commodity prices.

In summary, we are of the view that difficult times can yield significant opportunities and we will continue to look at creative ways to enhance our growing inventory and long term strategy.

FINANCIAL REVIEW

While attention turned to the commodity prices declines and the resulting drop in oil and gas equities, Vero was undeterred. Prudent management dictated that we adjust our planned capital spending and therefore focused on high-grade drilling prospects. As a result, Vero delivered excellent operational successes during the quarter. These successes were highlighted by a 27% increase in daily production volumes to 7,352 boe/d as well as a 100% success rate in its drilling program. Operational results translated into cash flow for the first quarter of 2009 of \$8,201 or \$0.22 per basic and diluted share. Comparatively, cash flow for the first quarter of 2008 was \$17,842 and resulted in per share amounts of \$0.60 per basic share and \$0.59 per diluted share. Successful drilling results in the first quarter have kept Vero's depletion rate stable with the latter part of 2008. However, the commodity price declines took their toll and Vero realized a loss in the quarter of \$4,695 or \$0.13 per share (basic and diluted) as compared to net earnings in the first quarter of 2008 of \$3,783 or \$0.13 per share (basic and diluted).

Vero invested \$28.3 million (excluding dispositions) in capital projects during the quarter with a focus on continued development of the Company's key resource play in Edson. Vero directed 71% of its first quarter capital expenditures towards drilling and completing 7 (6.4 net) wells, of which 4 (4.0 net) were horizontal wells. Facilities and tie-ins expenditures of \$6.3 million comprised 22% of the first quarter's capital as five new wells were brought into production. In addition, \$832 thousand was spent on Crown land acquisitions primarily in the Edson area. At the end of the first quarter of 2009, the Company had net debt of approximately \$124 million which included bank debt of \$102 million on a currently available bank line of \$115 million.

Attributable to the significant increase in reserves from a combination of four acquisitions and a successful drilling program in 2008, Vero's bank line of credit was increased to \$115 million in March of this year. This represented a 28% increase from the previous bank line of \$90 million. The increase was achieved in the face of declining price decks used by the banks. This credit enhancement, plus the previously announced equity financing (estimated net proceeds of \$14 million), puts the Company in a solid financial position going into the uncertain summer months. Vero's capital program will be scaled back over the summer months to include mainly optimization projects as we let cash flow catch up to our first quarter spending. Vero's capital budget remains flexible and is under continual review given the current economic environment.

OPERATIONS REVIEW

Edson, Alberta

Edson continues to be Vero's largest producing property with production of 5,005 boe/d (81% natural gas) in the first quarter of 2009. This area accounted for 68% of total corporate production. The expansion of Vero's gas processing facility to 35 mmcf/d was completed during the quarter and became operational in January. The completion of this project will provide increased potential throughput of 24.5 mmcf/d, reduce down time, allow for continued control of the infrastructure in our primary core area and support development and extension of our drilling. An element of reduced production occurred during the quarter as the Vero operated gas processing facility had extra delays during start-up in January and again in March. The main compressor experienced a severe mechanical failure resulting in a full replacement. This failure resulted in cumulative downtime of approximately two weeks. In addition, it is anticipated that Vero will experience reduced production of about 2,500 boe/d for approximately two weeks at the end of May as a third party gas processing facility will be undergoing a scheduled turnaround.

Vero's primary geological targets in Edson are the Rock Creek and Mannville zones, which range in depth from 2,000 to 2,500 meters and are characterized by gas with a high liquid content, capable of generating liquid volumes of up to 30 bbls/mmcf.

During the quarter, the Company drilled 5 (5.0 net) wells in the area with a success rate of 100%. Vero's focus continues to be in horizontal drilling as 4 (4.0 net) of the 5 wells drilled were horizontal wells. In addition to these drilling operations a total of 2 (2.0 net) wells were recompletions pursuant to farm-in commitments. Plans for the second half of the year will be focused on drilling in the Edson area with 7 (6.0 net) wells planned for later in the year and includes 5 (4.5 net) horizontal wells.

Vero's acreage in the area consists of 68,640 gross (38,640 net) developed acres and 67,200 (52,744 net) undeveloped acres. A majority of the acreage in Edson has potential for at least two wells per section and the Company has an ongoing program of making applications to the regulator for down spacing approvals. Notwithstanding our acreage in Edson is a significant part of Vero's total acreage, we continue to stress that the reserve potential in this area is an even more important part of the area development plan.

With Vero's relatively low costs at Edson, in both capital and operating, it has the flexibility to respond quickly and efficiently to prevailing commodity prices. Coupling facility and operational control to a high quality inventory, characterized by short on-stream cycle time, will allow Vero the opportunity to create significant value as commodity prices recover. The Company is also in a position to prudently take advantage of the Alberta drilling and royalty incentive programs announced in March.

Whitecourt

Whitecourt is Vero's second largest producing area primarily as a result of the three acquisitions completed in 2008. Production averaged 971 boe/d (86% natural gas) in the first quarter representing a 54% increase from fourth quarter volumes. The Company drilled one (1.0 net) well during the quarter.

Notwithstanding that no additional wells are planned in the area for the remainder of this year we have numerous opportunities in the Company's land base that can be executed upon once commodity prices

improve. Our focus during the remainder of the year will be on operating efficiencies and continuing to augment our portfolio with drilling and enhancement projects.

Vero currently controls 42,238 (22,403 net) developed acres and 60,320 (49,657 net) undeveloped acres in this area.

Corbett

Corbett contributed approximately 8% to Vero's daily production average in the first quarter while averaging 609 boe/d (73 % natural gas).

Vero currently controls 10,238 (5,885 net) developed acres and 28,480 (22,195 net) undeveloped acres in this area.

Other Areas

Total production for non-core areas in the third quarter was 767 boe/d (65 % natural gas). The largest of our non-core areas is Wilson Creek. During the quarter one (0.43 net) well was drilled. This well was brought on production in April to take advantage of the royalty relief incentives offered by the Province of Alberta.

Vero has 56,169 (24,678 net) developed acres and 62,636 (42,680 net) undeveloped acres in the Other Areas, non-core category.

FINANCIAL STATEMENTS

Below is selected financial statement information for the three month periods ended March 31, 2009 and 2008. For full disclosure of Vero's financial statements with their accompanying notes and the Management's Discussion and Analysis, please visit our website or SEDAR.

VERO ENERGY INC.

Consolidated Balance Sheets

(in thousands of dollars)

	March 31, 2009 (unaudited)	December 31, 2008 (audited)
ASSETS		
CURRENT		
Accounts receivable	20,514	29,218
Prepaid expenses and deposits	6,764	5,294
Loans receivable	4,023	350
	31,301	34,862
Property and equipment	313,398	297,697
Goodwill	19,913	19,913
	364,612	352,472
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	52,826	63,354
Bank debt	102,448	75,419
	155,274	138,773
Asset retirement obligations	5,703	5,570
Future taxes	21,208	17,416
	182,185	161,759
SHAREHOLDERS' EQUITY		
Share capital	155,184	160,103
Contributed surplus	6,098	4,759
Retained Earnings	21,145	25,851
	182,427	190,713
	364,612	352,472

VERO ENERGY INC.**Consolidated Statements of Operations, Comprehensive (Loss) Income and Retained Earnings
For the three months ended March 31,***(in thousands of dollars, except per share data)(unaudited)*

	2009	2008
REVENUE		
Production revenue	22,135	31,168
Royalties	(5,257)	(8,492)
Unrealized loss on risk management activities	-	(3,468)
Interest & other income	21	-
	16,899	19,208
EXPENSES		
Operating	5,821	2,694
Transportation	864	626
General and administrative	1,197	892
Stock based compensation	1,339	186
Interest and bank charges	816	622
Depletion, depreciation and accretion	12,609	8,753
	22,646	13,773
(LOSS) INCOME BEFORE INCOME TAXES	(5,747)	5,435
INCOME TAX (RECOVERY) EXPENSE		
Future	(1,052)	1,652
	(1,052)	1,652
NET (LOSS) EARNINGS AND COMPREHENSIVE (LOSS) INCOME	(4,695)	3,783
RETAINED EARNINGS, BEGINNING OF PERIOD	25,851	4,864
REPURCHASE OF SHARES	(11)	-
RETAINED EARNINGS, END OF PERIOD	21,145	8,647
NET (LOSS) EARNINGS PER SHARE		
Basic	(0.13)	0.13
Diluted	(0.13)	0.13

VERO ENERGY INC.**Consolidated Statements of Cash Flows**
For the three months ended March 31,
(in thousands of dollars) (unaudited)

	2009	2008
CASH FLOWS RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Net (loss) earnings	(4,695)	3,783
Adjustments for:		
Unrealized loss on risk management activities	-	3,468
Depletion, depreciation and accretion	12,609	8,753
Future income taxes	(1,052)	1,652
Stock based compensation	1,339	186
	8,201	17,842
Changes in non-cash working capital	(14,050)	(2,465)
	(5,849)	15,377
FINANCING		
Increase (decrease) in bank debt	27,029	(9,935)
Proceeds from issuance of commons shares, net of share issue costs	-	16,761
Repurchase of share	(86)	-
Loans to officers/directors	(3,673)	-
	23,270	6,826
INVESTING		
Additions to petroleum and natural gas properties	(28,317)	(19,883)
Additions to administrative assets	(5)	(5)
Proceeds on Sales of Property/Equipment	145	-
Changes in non-cash working capital	10,756	(2,315)
	(17,421)	(22,203)
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 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 for the latest corporate presentation and details of anticipated 2009 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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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 affect 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. 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 as well as to evaluate acquisitions. 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 (basic and diluted) outstanding consistent with the calculation of net earnings per share, which per share amounts are calculated under GAAP. The Company considers netbacks as a key measure as it demonstrates its profitability relative to current commodity prices. Operating

netbacks are calculated by taking total revenues and subtracting royalties, operating expenses and transportations costs on a per boe basis. Cash flow netbacks are calculated by taking the operating netback and subtracting interest costs, and general and administrative costs on a per boe basis.

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