PRESS RELEASE

VERO ENERGY INC. REPORTS THIRD QUARTER EARNINGS INCREASE OF 1,255% AND CASH FLOW INCREASE OF 76%

CALGARY, Alberta – October 29, 2008 – Vero Energy Inc. (“Vero” or the “Company”) (TSX-VRO) today announces its third quarter, 2008 financial results. Copies of the financial statements and management discussion and analysis in respect thereof for the quarter ended September 30, 2008 will be available, in due course, through www.sedar.com or by visiting Vero’s website at www.veroenergy.ca.

Third Quarter 2008 Highlights

- ✓ Generated net earnings of $10.4 million in the quarter, a 1,255% increase over a loss of $902 thousand in the same quarter of 2007.
- ✓ Cash flow from operations increased 76% to $16.6 million or $0.50 per share (basic and diluted).
- ✓ Increased average daily production 28% to 6,236 boe/d (81% natural gas).
- ✓ Maintained a low operating cost per barrel equivalent average of $6.05 for the nine months to date and $6.80 for the quarter.
- ✓ Achieved an operating netback of $32.17 per boe and cash flow netback of $28.91 per boe in the quarter, representing increases of 34% and 37% respectively from 2007.
- ✓ Drilled 8 (5.3 net) wells with a 91% success rate including 3 (3 net) horizontal wells.

Financial and operating highlights for the third quarter of 2008 with comparisons to the third quarter of 2007 are as follows:

	Three Months ended September 30,			Nine months ended September 30,		
Financial ($000's except per share amounts)	**2008**	**2007**	**%**	**2008**	**2007**	**%**
Production revenue	**32,005**	19,731	62	**105,437**	60,190	75
Cash flow from operations (1)	**16,584**	9,425	76	**61,232**	29,622	107
Per basic share	**0.50**	0.33	52	**1.93**	1.06	82
Per diluted share	**0.50**	0.32	56	**1.92**	1.05	83
Net earnings (loss)	**10,421**	(902)	1,255	**22,944**	322	7,025
Per basic share	**0.32**	(0.03)	1,167	**0.72**	0.01	7,100
Per diluted share	**0.31**	(0.03)	1,133	**0.72**	0.01	7,100
Capital expenditures, net	**48,234**	18,522	160	**84,533**	51,041	66
Net debt (2)	**67,725**	53,002	28	**67,725**	53,002	28
Share Capital (000's)						
Basic, weighted average	**32,955**	28,911	14	**31,680**	27,865	14
Basic, end of period	**33,433**	28,911	16	**33,433**	28,911	16
Fully diluted	**36,416**	31,339	16	**36,416**	31,339	16
Daily Production						
Natural gas volumes (mcf/d)	**30,059**	23,975	25	**28,172**	22,052	28
Light oil (boe/d)	**515**	377	37	**582**	336	73
Liquids (boe/d)	**711**	493	44	**755**	518	46
Corporate (boe/d)	**6,236**	4,865	28	**6,032**	4,530	33
Average Realized Prices						
Natural gas ($/mcf)	**7.27**	6.33	15	**8.76**	7.46	17
Light Oil ($/bbl)	**112.72**	75.59	49	**107.75**	69.01	56
Liquids ($/bbl)	**100.07**	69.67	44	**99.67**	63.36	57
Corporate ($/boe)	**55.78**	44.08	27	**63.79**	48.67	31
Netbacks ($/boe)						
Operating (4)	**32.17**	24.02	34	**40.07**	27.46	46
Cash flow	**28.91**	21.05	37	**37.04**	23.94	55
Wells drilled						
Gross	**8**	10	(20)	**22**	28	(21)
Net	**5.3**	6.6	(20)	**15.2**	17.8	(15)

(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 mar-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.

PRESIDENT'S MESSAGE AND OUTLOOK

Vero continues to generate solid cash flow and expect to continue to do so for the remainder of this year and into 2009. Our excellent operating cost structure, which is one of the lowest in our peer group, is directly attributable to the economies of scale and high levels of operatorship in the properties we control. Coupling this with top tier finding and development costs that we have achieved, we continue to grow profitably. Vero's strong financial results are the direct result of our operating excellence and disciplined spending practices.

The equity markets have suffered a setback and as investors' attention turns to corporate fundamentals, we believe they will focus on investing in companies which can provide profitable growth without the need for external funding. I am pleased to say that Vero's diligence in maintaining a strong balance sheet and concentration of its efforts on profitable drilling, along with accretive acquisitions, will give us the financial resources to continue with the execution of our plans. Our cash flow will be the main catalyst providing us with the financial flexibility to pursue the most substantial drilling inventory in our three years of existence. We currently anticipate that we will show over 40% growth in 2009 average production over 2008 levels in a profitable manner. We currently have budgeted for 2009 that our capital spending will be equal to our projected cash flow.

We believe the industry as a whole will high-grade its opportunities in this uncertain environment of commodity prices, access to capital and credit. Vero will be no different and we intend to concentrate our efforts in Edson which is our most profitable area.

In 2008 to date, Vero had operating costs of $6.05 per boe but in Edson we are averaging $4.50 per boe thus allowing us to continue to show excellent returns in a tough environment. To help ensure that we continue to enjoy low operating costs and also control of our own destiny, we will build new facilities and expand existing ones when required. We are currently working with an industry partner in sharing the cost of expanding our 100% Edson facility to 35 mmcfd, which was originally built in late 2007. This is expected to be completed by mid-December and will increase Vero's through-put capacity to 24.5 mmcfd. We are also expanding our pipeline infrastructure and this will bring production currently going to third party facilities into the Vero facility. Production of approximately 3 mmcfd has frequently been curtailed and shut in throughout the third quarter and with some additional disruptions into the fourth quarter. Also, our results with horizontal drilling and completions continue to exceed expectations. This technology will therefore be our main focus going forward. Currently there are two operated drilling rigs in Edson, and both of these rigs are drilling horizontal wells.

Vero currently anticipates growing by over 20% in average daily production in the fourth quarter over the third quarter. This increase will occur primarily with our internally focused drilling program. In addition, we have entered into a definitive agreement to acquire, subject to satisfaction of certain conditions including target shareholder approval, a private oil and gas company for consideration consisting of Vero common shares. The acquisition is currently expected to be completed by mid-November. This private company is currently producing approximately 800 boe/d with 15,750 net undeveloped acres entirely in our Edson area. As a result of the activity throughout the remainder of the year and assuming completion of the pending acquisition, our year end exit guidance has been increased from our current 7,600 – 8,000 boe/d to 8,400 - 8,800 boe/d depending solely on the timing of projects. We expect to drill approximately 38 (28.5 net) wells in 2008. Our strengthened undeveloped acreage position from land sales, acquisitions and farm-ins is over 160,000 net acres (not including the pending acquisition) and gives Vero over four years of drilling inventory.

I look forward to reporting our future activities. Please look on our website for an updated presentation by mid November.

Douglas J. Bartole
President and Chief Executive Officer

FINANCIAL REVIEW

Vero continued to grow in every respect during the third quarter of 2008. Revenues increased by 62% after hedging while production increased by 28% to average 6,236 boe/d as compared to 4,865 boe/d in the same quarter of last year. A portion of the increase was related to the two corporate acquisitions completed in the second quarter but also included the asset acquisition that closed at the end of July. In addition, realized natural gas prices were 15% higher in 2008 as compared to 2007 while oil prices were 49% higher and liquids prices were 44% higher. Operating expenses continue to be one of Vero's strongest hedges against fluctuating commodity prices. Operating expenses were $6.80 per boe during the quarter even with the acquisitions that had somewhat higher operating expenses associated with them. As a result, Vero achieved $16.6 million in cash flow in the quarter or $0.50 per share (basic and diluted). In a similar vein, net earnings were strong at $10.4 million translating into $0.32 per basic share and $0.31 per diluted share. A significant contributing factor to the net earnings increase was Vero's depletion rate, which was reduced by 18% to $17.50 per boe from 2007 levels. Strong drilling results and favorable acquisition metrics were the contributors to this decline.

Vero continued to be very active in its capital program. During the quarter the Company spent $48.2 million including: $20.3 million for the asset acquisition in July; $16.7 million in drilling and completing 8 (5.3 net) wells; $8.8 million in equipping and tying-in new wells; $1.1 million in shooting two 3D seismic programs; and $1.0 million in acquiring new Crown land acreage.

The credit crisis and the general health of the United States economy dominated the news to date in the third quarter. In the face of the spillover of these events into the Canadian capital markets as well as declining commodity prices, Vero has managed its financial health. With the cash flows from the third quarter and the strength in its growing critical mass, the Company has a manageable 1.0 times net debt to annualized cash flow. While this ratio is higher than at the end of the second quarter, it was increased mainly from the asset acquisition in July, which was financed entirely with Vero's bank line of credit. It is currently anticipated that Vero will not have to seek additional financing to execute its planned 2009 capital program.

OPERATIONS REVIEW

<u>Edson, Alberta</u>

Edson remains Vero's largest producing property with production of 3,564 boe/d (81% natural gas) in the quarter. This accounted for 57% of total corporate production. Production in the quarter was reduced as a third party facility was shut down for a two week turnaround. There were continued restrictions and curtailment of production in the south eastern portion (Cyn-Pem) of the Edson area throughout the quarter and continuing into the fourth quarter. As previously mentioned, Vero, along with an industry partner will be expanding our current gas processing facility to 35 mmcfd. This will increase our throughput to 24.5 mmcfd, reduce down time, and allow for continued drilling in that area. The Company finished construction of a 12 mmcfd natural gas compression and dehydration facility during the quarter as well.

The primary targets in Edson are the Rock Creek and Manville zones from 2,000-2,500 meters in depth which are characterized by gas with a high liquid content, capable of generating liquid volumes of up to 30 bbls/mmcf. All the wells drilled in the third quarter were in the Edson area. There were 8 (5.3 net) wells drilled with a success rate of 91% and this included 3 (3.0 net) horizontal wells. This brings the number of wells drilled to date in this area to 18 (11.7 net) including 9 (7.2 net) horizontal wells. The Company has an active program in the area for the fourth quarter. Plans are to drill an additional 9 (9.0 net) wells which include 7 (7.0 net) horizontal wells. Currently there are 17 (12.8 net) horizontal producing wells with an additional 2 (2.0 net) drilling and 2 (2.0 net) being completed and tied in. Results from horizontal drilling continue to meet or exceed Vero's targets for both expected production rates and reserves.

Vero's acreage in the area consists of 44,160 gross (21,581 net) developed acres and 41,760 (28,604 net) undeveloped acres not including the pending private company acquisition. It is expected that in due course, a majority of the acreage will have at least two wells per section. Therefore, while our acreage in Edson is a significant part of our total acreage, we believe that the reserve potential in this area is a bigger part of this story.

Whitecourt

Whitecourt has become Vero's second largest producing area mainly as a result of the three acquisitions completed to date in 2008. Production averaged 1,322 boe/d (87% natural gas) in the third quarter representing a 54% increase from second quarter volumes. Even though production volumes for the area increased in the third quarter, similar to Edson we were adversely impacted by a third party facility turnaround that reduced our expected production. There are no plans to drill any new wells for the remainder of 2008 but we do have plans to drill a 100% horizontal well in the first quarter of 2009.

Vero currently controls 43,836 (23,000 net) developed acres and 77,280 (61,271 net) undeveloped acres in this area. The large increases in the quarter came from the significant land positions acquired in this area from the acquisitions.

Corbett

Corbett contributed approximately 12% to Vero's daily production average in the third quarter while averaging 766 boe/d (71 % natural gas).

Vero currently controls 10,878 (6,141 net) developed acres and 30,400 (23,155 net) undeveloped acres in this area.

Other Areas

Total production for non-core areas in the third quarter was 584 boe/d (75 % natural gas). The largest of our non-core areas is Wilson Creek. Current plans are to drill 5 (3.2 net) wells prior to year end.

Vero has 56,687 (24,221 net) developed acres and 69,932 (46,576 net) undeveloped acres in the Other Areas category.

FINANCIAL STATEMENTS

Below is selected financial statement information for the three month and nine month periods ended September 30, 2008 with comparative data for 2007. 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)

	September 30, 2008 ***(unaudited)***	December 31, 2007 *(audited)*
ASSETS		
CURRENT		
Accounts receivable	**23,904**	16,767
Prepaid expenses and deposits	**4,297**	3,523
Risk management contracts	**1,231**	-
	29,432	20,290
Property and equipment	**242,388**	171,727
Goodwill	**19,913**	15,034
	291,733	207,051
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	**38,214**	36,051
Bank debt	**57,712**	46,013
	95,926	82,064
Asset retirement obligations	**4,786**	2,641
Future taxes	**22,663**	10,812
	123,375	95,517
SHAREHOLDERS' EQUITY		
Share capital	**137,605**	103,077
Contributed surplus	**3,501**	3,593
Retained Earnings	**27,252**	4,864
	168,358	111,534
	291,733	207,051

VERO ENERGY INC.

Consolidated Statement of Operations, Comprehensive Income and Retained Earnings

For the three and nine month periods ended September 30,

(in thousands of dollars, except per share data)(unaudited)

	Three months ended September 30		Nine months ended September 30	
	2008	2007	**2008**	2007
REVENUE				
Production revenue	**33,495**	18,542	**108,103**	58,846
Realized (loss) gain on risk management activities	**(1,490)**	1,189	**(2,666)**	1,344
	32,005	19,731	**105,437**	60,190
Royalties	**(8,857)**	(5,551)	**(27,123)**	(17,013)
Unrealized gain (loss) on risk management activities	**9,321**	(733)	**1,612**	-
	32,469	13,447	**79,926**	43,177
EXPENSES				
Operating	**3,903**	2,754	**9,994**	7,558
Transportation	**788**	674	**2,083**	1,652
General and administrative	**1,263**	729	**3,226**	2,532
Stock based compensation	**816**	319	**1,316**	1,130
Interest and bank charges	**611**	598	**1,779**	1,813
Depletion, depreciation and accretion	**10,039**	9,543	**28,591**	27,216
	17,419	14,617	**46,989**	41,901
INCOME BEFORE INCOME TAXES	**15,050**	(1,170)	**32,937**	1,276
INCOME TAXES				
Future	**4,629**	(268)	**9,993**	954
	4,629	(268)	**9,993**	954
NET EARNINGS (LOSS) AND COMPREHENSIVE INCOME	**10,421**	(902)	**22,944**	322
RETAINED EARNINGS, BEGINNING OF PERIOD	**17,387**	2,924	**4,864**	1,700
Repurchase of shares	**(556)**	-	**(556)**	-
RETAINED EARNINGS, END OF PERIOD	**27,252**	2,022	**27,252**	2,022
NET EARNINGS PER SHARE				
Basic	**0.32**	(0.03)	**0.72**	0.01
Diluted	**0.31**	(0.03)	**0.72**	0.01

VERO ENERGY INC.

Consolidated Statement of Cash Flows

For the three and nine month periods ended September 30,

(in thousands of dollars, except per share data)(unaudited)

	Three months ended September 30		Nine months ended September 30	
	2008	2007	**2008**	2007
CASH FLOWS RELATED TO THE FOLLOWING ACTIVITIES:				
OPERATING				
Net earnings (loss)	**10,421**	(902)	**22,944**	322
Adjustments for:				
Unrealized (gain) loss on risk management activities	**(9,321)**	733	**(1,612)**	-
Stock-based compensation	**816**	319	**1,316**	1,130
Depletion, depreciation and accretion	**10,039**	9,543	**28,591**	27,216
Future income taxes (recovery)	**4,629**	(268)	**9,993**	954
	16,584	9,425	**61,232**	29,622
Changes in non-cash working capital	**2,647**	906	**(3,473)**	(3,756)
	19,231	10,331	**57,759**	25,866
FINANCING				
Increase (decrease) in bank debt	**21,368**	(773)	**7,904**	2,348
Proceeds from issuance of common shares, net of share issue costs	**-**	-	**16,758**	17,936
Repurchase of shares	**(1,081)**	-	**(1,081)**	-
Stock option exercises	**3,434**	-	**4,378**	21
	23,721	(773)	**27,959**	20,305
INVESTING				
Corporate acquisitions	**-**	-	**(2,606)**	-
Additions to petroleum and natural gas properties	**(27,893)**	(18,513)	**(61,568)**	(48,530)
Purchase of petroleum and natural gas properties	**(20,312)**	-	**(20,312)**	(2,478)
Additions to administrative assets	**(29)**	(9)	**(47)**	(33)
Changes in non-cash working capital	**5,282**	8,964	**(1,185)**	4,870
	(42,952)	(9,558)	**(85,718)**	(46,171)
NET CHANGE 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 2008 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, the anticipated acquisition and 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), 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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