



PRESS RELEASE

VERO ENERGY INC. ANNOUNCES FINANCIAL AND OPERATING RESULTS FOR THE THIRD QUARTER OF 2009 AND CURRENT ACTIVITIES UPDATE

CALGARY, Alberta – November 4, 2009 – Vero Energy Inc. (“Vero” or the “Company”) (TSX-VRO) today announces its third quarter, 2009 financial and operating results. Copies of the financial statements and management discussion and analysis in respect thereof for the quarter ended September 30, 2009 will be available, in due course, through www.sedar.com or by visiting Vero’s website at www.veroenergy.ca.

Third Quarter 2009 Highlights

- ✓ Increased average daily production 6% to 6,610 boe/d (80% natural gas) in 2009 from 6,236 boe/d in the third quarter of 2008. For the year to date production increased 16% to 6,998 boe/d.
- ✓ Cash flow from operations was \$4.0 million equating to \$0.09 per share (basic and diluted).
- ✓ Capital spending was \$ 5.0 million including the drilling of 1 (1.0 net) horizontal well. Another horizontal well started drilling before the end of the quarter.

Current Activities Update

- ✓ On November 3, 2009 closed a bought-deal financing for 2.2 million flow-through common shares at \$5.65 per share for gross proceeds of \$12.6 million.
- ✓ Entered into two definitive agreements for the sale of 350 boe/d of producing assets for proceeds of \$15.2 million before adjustments. Both deals are expected to close in the fourth quarter.
- ✓ Current production based on field estimates is back over 7,000 boe/d (81% natural gas)
- ✓ Currently have two operated drilling rigs with a third to start drilling on November 7. All three rigs will be drilling horizontal wells.

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

<i>Financial (\$000's except per share amounts)</i>	Three Months ended September 30,			Nine months ended September 30,		
	2009	2008	%	2009	2008	%
Production revenue	15,897	33,495	(56)	55,644	108,103	(49)
Funds flow from operations ⁽¹⁾	4,044	16,584	(76)	18,013	61,232	(71)
Per basic share	0.09	0.50	(82)	0.46	1.93	(76)
Per diluted share	0.09	0.50	(82)	0.46	1.92	(76)
Net (loss) earnings	(3,682)	10,421	(135)	(19,125)	22,944	(183)
Per basic share	(0.08)	0.32	(125)	(0.49)	0.72	(168)
Per diluted share	(0.08)	0.31	(126)	(0.49)	0.72	(168)
Capital expenditures, net	4,973	48,234	(90)	34,869	84,533	(59)
Net debt ⁽²⁾	106,936	67,725	58	106,936	67,725	58
Share Capital (000's)						
Basic, weighted average	40,952	32,955	24	38,887	31,680	23
Basic, end of period	40,952	33,433	22	40,952	33,433	22
Fully diluted	44,111	36,416	21	44,111	36,416	21
Daily Production						
Natural gas volumes (mcf/d)	31,850	30,059	6	33,912	28,172	20
Light oil (boe/d)	288	515	(44)	342	582	(41)
Liquids (boe/d)	1,014	711	43	1,003	755	33
Corporate (boe/d)	6,610	6,236	6	6,998	6,032	16
Average Realized Prices						
Natural gas (\$/mcf)	3.23	7.81	(59)	4.14	9.11	(55)
Light Oil (\$/bbl)	64.35	112.72	(43)	55.00	107.75	(49)
Liquids (\$/bbl)	50.76	100.07	(49)	44.53	99.67	(55)
Corporate (\$/boe)	24.64	55.78	(56)	28.41	63.79	(55)
Netbacks (\$/boe)⁽⁴⁾						
Operating	12.54	32.17	(61)	14.06	40.07	(65)
Funds flow from operations	6.65	28.91	(77)	9.43	37.04	(75)
Wells drilled						
Gross	1	8	(88)	8	22	(64)
Net	1.0	5.3	(81)	7.4	15.2	(51)

(1) Funds 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. 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 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 funds 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

The outlook for Vero Energy has improved significantly with major initiatives taken by the Company. In fact we believe that the Company is now in an excellent position to quickly and profitably grow production. Commodity prices have improved into the fourth quarter and the Company has resumed spending on a measured and prudent capital program.

During five months of limited capital spending and no wells being drilled, time was spent developing and executing a solid business plan. We critically reviewed our industry leading low capital cost spending, focusing on further improvement while optimizing our drilling and completions to get maximum return. That focus has paid off as our first two horizontals in the second half of this year are showing very good results in deliverability and more importantly, our expectations are that reserve recovery per well will improve.

The Company also put a plan in place to take advantage of our significant and growing drilling inventory, reductions in the costs of services, and the very appealing drilling incentives currently offered in the Province of Alberta. The plan included the disposition of non-core assets where we were not going to invest capital in the foreseeable future. Good assets are still receiving \$40,000 per producing boe whereas Vero believes we can add production per horizontal well at capital efficiencies less than \$10,000 per producing boe. The Company's efficient cycle time, and this swap of non-core assets, redeploying the cash into drilling inventory has the potential to translate into four times growth in core areas. We have initiated the execution of this plan by entering into agreements to dispose of approximately 350 boe/d of assets for a price of \$15.2 million (with closings expected in the fourth quarter, subject to customary conditions). Couple this with the recent equity financing that closed in early November and Vero now has the flexibility to drill our inventory and add production quickly and efficiently.

Our capital cost efficiencies and our accelerated cycle times, (50-60 days from drill to first sales); give us the confidence that our projects are as competitive as any in North America. Service cost reductions are currently estimated to be approximately twenty percent and drilling incentives from the province of Alberta include credits of \$200 per meter drilled, and 5% royalties on the first 500 mmcf (million cubic feet equivalent) of production on wells drilled prior to April 1, 2011. At a current \$4/mmbtu gas price Vero's returns equate to the equivalent of over \$7/mmbtu on the costs and crown royalties prior to 2009 (near term \$5/mmbtu prices equate to gas prices greater than \$8.50/mmbtu in that prior period). Another way to look at it is that roughly every fourth well we drill is free, net of the drilling incentive.

Vero's current production is over 7,000 boe/d with 1,000 boe/d restricted and /or shut-in. Production currently shut-in due to economics is approximately 200 boe/d. Of the restricted production 400 boe/d is self restricted during post clean-up after new well completions and due to low commodity price. The balance requires some facility work to remove restrictions. In order to remove some production restrictions due to bottlenecks, the Company plans to add another gas compression facility that is expected to be operational in mid December. This facility will also allow us to switch production between two different midstream plants in an area where we have recently seen significant downtime. The plans are to drill 6 (5 net) horizontal wells in the fourth quarter. With production coming on from new wells and after dispositions, the Company expects to average 6,800-6,900 boe/d in this quarter and exit 2009 between 7,500-8,000 boe/d with net debt of approximately \$87 mm. The Company has the financial flexibility to implement a board approved plan for the first quarter of 2010 that includes spending approximately \$30 mm to drill 9-10 (8.5-9.5 net) horizontal wells. As a result, production in

the first quarter of 2010 is expected to average 7,800-8,200 boe/d with an exit rate between 9,000-9,500 boe/d. The Company will be drilling horizontal wells in the zones we have historically drilled: Rock Creek, Notikewin, and Bluesky but we will also target new horizons where we currently have no horizontal well reserves booked, specifically the Cardium and Wilrich. In the Cardium, two wells (1 oil, 1 gas) are planned in this quarter and two wells (1 oil, 1 gas) in the first quarter of 2010. Currently the Company has 2 rigs drilling horizontal wells, with a third rig planned to start drilling a horizontal well by November 7th. Plans are for all 3 rigs to be operating until the end of the first quarter. The Company's plan is aggressive but flexible, as we can pull back in the first quarter if economic conditions dictate.

Vero is cautiously optimistic as we enter 2010. We have positioned ourselves well both economically and strategically. We believe natural gas will average between \$5 and \$7/mmbtu however it may be very volatile, but even in the lower \$5 case, we can show very profitable growth as we focus on doing "More for Less" with our capital and operational efficiencies that have the potential to add production at the lowest level ever in the four years of our Company. Please check for our updated presentation expected to be on our website by November 8.

FINANCIAL REVIEW

During the third quarter of 2009 the natural gas industry experienced further natural gas price declines to levels that have not been seen since the beginning of this decade. In this low price environment Vero adopted a variety of strategies designed to conserve its resources and reserves. During the third quarter Vero spent \$4,973 thousand in capital during the quarter compared with \$48,234 thousand in the comparable quarter from last year. Capital was primarily expended on maintenance during the first half of the quarter. In the latter part of the third quarter, Vero returned to the field as it drilled and completed one horizontal well and also commenced the drilling of a second horizontal well. The Company intends to maximize the new Alberta Government drilling incentive credits until the program expires as the economics of drilling these wells with the new credits yield very favorable results for Vero.

In addition to conserving capital, Vero intentionally curtailed production rates during the quarter to preserve value with the expectation prices will start to recover in the near future. The new well drilled in the quarter was choked back to 1.2 mmcfed in accordance with this strategy. High operating cost wells were shut-in during the second quarter and this continued into the third quarter. Despite these intentional reductions, the Company still experienced an increase in production for the third quarter and year to date over the results from 2008. Vero averaged 6,610 boe/d in the third quarter of 2009 versus 6,236 in the same quarter of last year and 6,998 boe/d and 6,032 for the nine month periods ended September 30, 2009 and 2008 respectively.

Funds flow from operations in the third quarter of 2009 was \$4,044 thousand or \$0.09 per share compared with \$16,584 thousand (\$0.50 per share) in the third quarter of 2008. This decline was primarily the result of average prices declining 56% from the third quarter of 2008 to the most recent quarter of 2009. Vero's net debt was \$106,936 thousand at September 30, 2009, which is consistent with the debt level at the end of the second quarter of this year.

OPERATIONS REVIEW

Edson, Alberta

Vero's largest producing property with average production of 4,818 boe/d (82% natural gas) in the third quarter of 2009 which represents 73% of total corporate production. Approximately 700 boe/d of operated production was shut-in for three weeks as the main gas compressor at a midstream facility had a serious mechanical failure. The Company also had 400 boe/d of self-restricted production in the quarter so as to not sell flush production into a low price environment. Also, approximately 75 boe/d of high operating cost production was shut-in during the quarter. The Company took advantage of the slowdown associated with the low, gas, commodity price environment to do some operated facility maintenance and upgrades.

In the quarter, Vero drilled and completed one horizontal well and started drilling a second horizontal well. Both were 100% working interest wells with the first one being brought on at the end of the quarter. Vero's primary geological targets in Edson are in the Mannville and Rock Creek zones, which range in depth from 2,000 to 2,600 meters and are characterized by gas with a high liquid content, capable of generating liquid volumes of up to 40 bbls/mmcft. Future drilling plans will be focused on defining the emerging resource potential of the Mannville and Cardium zones, and to start drilling the Rock Creek zone again. Vero continues to technically evaluate and optimize its horizontal drilling and completion techniques including drilling lengths, number of fracs and frac sizes. Plans for the fourth quarter of the year will be focused on drilling in the Edson area with 5 (4.0 net) horizontal wells.

Vero's acreage in the area consists of 68,000 gross (38,840 net) developed acres and 67,840 (54,973 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 thereby increasing well inventory. Many of the emerging resource zones have the potential for more than two wells per section. 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's development plan.

With Vero's relatively low capital and operating costs in Edson, the Company 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 of this year.

Whitecourt

Whitecourt is Vero's second largest producing area. Production averaged 754 boe/d (88% natural gas) in the third quarter. During the quarter approximately 50 boe/d of uneconomic production was shut-in.

The Whitecourt area has a number of tight gas drilling and down-spacing opportunities which are similar to the types of targets that have been successfully exploited with horizontal drilling and multi-fracs in the Edson area. The Company plans to drill one of these opportunities in the fourth quarter of 2009. 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 40,477 (22,160 net) developed acres and 51,840 (41,577 net) undeveloped acres in this area.

Other Areas

The other areas contributed approximately 16% to Vero's daily production average in the quarter while averaging 1,038 boe/d (68 % natural gas). Although no wells have been drilled in these areas since January 2008, with the royalty incentives announced in March of this year we are re-evaluating the economics of drilling here. As such we currently have three wells licensed for drilling. During the quarter approximately 125 boe/d of high operating cost production was shut-in. Vero currently controls 68,327 (31,203 net) developed acres and 73,070 (52,658 net) undeveloped acres in these other areas.

FINANCIAL STATEMENTS

Below is selected financial statement information for the three and nine month periods ended September 30, 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)

	September 30, 2009 <i>(unaudited)</i>	December 31, 2008 <i>(audited)</i>
ASSETS		
CURRENT		
Accounts receivable	17,791	29,218
Prepaid expenses and deposits	5,794	5,294
Loans receivable	2,751	350
	26,336	34,862
Property and equipment	295,857	297,697
Goodwill	19,913	19,913
	342,106	352,472
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	30,301	63,354
Risk management	2,073	-
Bank debt	102,971	75,419
	135,345	138,773
Asset retirement obligations	5,935	5,570
Future taxes	15,742	17,416
	157,022	161,759
SHAREHOLDERS' EQUITY		
Share capital	169,388	160,103
Contributed surplus	8,981	4,759
Retained Earnings	6,715	25,851
	185,084	190,713
	342,106	352,472

VERO ENERGY INC.**Consolidated Statement of Operations, Comprehensive (Loss) 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	
	2009	2008	2009	2008
REVENUE				
Production revenue	15,897	33,495	55,644	108,103
Realized loss on risk management activities	(912)	(1,490)	(1,374)	(2,666)
	14,985	32,005	54,270	105,437
Royalties	(1,607)	(8,857)	(9,041)	(27,123)
Unrealized loss on risk management activities	3,271	9,321	(2,073)	1,612
Interest and other	20	-	62	-
	16,669	32,469	43,218	79,926
EXPENSES				
Operating	5,886	3,903	17,290	9,994
Transportation	778	788	2,460	2,083
General and administrative	1,472	1,263	4,417	3,226
Stock based compensation	664	816	4,222	1,316
Interest and bank charges	1,218	611	3,111	1,779
Depletion, depreciation and accretion	11,973	10,039	37,073	28,591
	21,991	17,419	68,573	46,990
(LOSS) INCOME BEFORE INCOME TAXES	(5,322)	15,050	(25,356)	32,937
INCOME TAXES				
Future tax (recovery) expense	(1,640)	4,629	(6,230)	9,993
	(1,640)	4,629	(6,230)	22,944
NET (LOSS) EARNINGS AND COMPREHENSIVE (LOSS) INCOME	(3,682)	10,421	(19,125)	22,944
RETAINED EARNINGS, BEGINNING OF PERIOD	10,397	17,387	25,851	4,864
Repurchase of shares	-	(556)	(11)	(556)
RETAINED EARNINGS, END OF PERIOD	6,715	27,252	6,715	27,252
NET (LOSS) EARNINGS PER SHARE				
Basic	(0.08)	0.32	(0.49)	0.72
Diluted	(0.08)	0.31	(0.49)	0.72

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		Nine months ended	
	September 30		September 30	
	2009	2008	2009	2008
CASH FLOWS RELATED TO THE FOLLOWING ACTIVITIES:				
OPERATING				
Net (loss) earnings	(3,682)	10,421	(19,125)	22,944
Adjustments for:				
Unrealized (gain) loss on risk management activities	(3,271)	(9,321)	2,073	(1,612)
Stock based compensation	664	816	4,222	1,316
Depletion, depreciation and accretion	11,973	10,039	37,073	28,591
Future tax (recovery) expense	(1,640)	4,629	(6,230)	9,993
	4,044	16,584	18,013	61,232
Changes in non-cash working capital	(919)	2,647	(12,292)	(3,473)
	3,125	19,231	5,721	57,759
FINANCING				
Increase (decrease) in bank debt	(998)	21,368	27,552	7,904
Proceeds from issuance of common shares, net of share issue costs	(7)	-	13,916	16,758
(Increase) decrease in related party loans	105	-	(2,401)	-
Stock option exercises	-	3,434	-	4,378
Repurchase of shares	-	(1,081)	(86)	(1,081)
	(900)	23,721	38,981	27,959
INVESTING				
Corporate acquisitions	-	-	-	(2,606)
Additions to petroleum and natural gas properties	(4,973)	(27,893)	(35,006)	(61,568)
Purchase of producing petroleum properties	-	(20,312)	-	(20,312)
Proceeds on sale of petroleum properties	-	-	145	-
Additions to administrative assets	-	(29)	(7)	(47)
Changes in non-cash working capital	2,748	5,282	(9,834)	(1,185)
	(2,225)	42,952	(44,702)	85,718
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.

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

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 capital efficiencies and the completion of dispositions and the timing thereof, and commodity price projections 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, risks that planned dispositions will not be completed on projected timelines or at all, 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 “funds 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 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, cash flow from operating activities as determined in accordance with Canadian GAAP as an indicator of Vero’s performance. Vero’s determination of funds flow from operations may not be comparable to that reported by other companies. The reconciliation between net income and funds 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. Funds 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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