



PRESS RELEASE

VERO ENERGY INC. ANNOUNCES FIRST QUARTER FINANCIAL RESULTS AND GIVES OPERATIONS UPDATE

CALGARY, Alberta – May 14, 2007 – Vero Energy Inc. ("Vero" or the "Company") (TSX-VRO) today filed with Canadian securities authorities its Financial Statements and Management Discussion and Analysis in respect thereof for the three month period ended March 31, 2007. Copies of the filed documents may be obtained through www.sedar.com or by visiting Vero's website www.veroenergy.ca.

First Quarter 2007 Highlights

- Increased average daily production 210% to 4,430 (80% natural gas) boe/d from 1,427 boe/d in the same quarter of 2006.
- Cash flow from operations increased 154% to \$10.5 million equating to \$0.41 per share.
- Increased production revenue 188% to \$20.4 million over the first quarter of 2006.
- Reduced G&A costs by 24% to \$1.74 per boe from \$2.28 per boe from the same period last year.
- Achieved an operating netback of \$29.79 per boe and cash flow netback of \$26.35 per boe.
- Closed a \$2.5 million acquisition of a partner's 50% interest in Corbett, followed by the shooting of 23.3 km² of 3D seismic on these lands.
- Increased the borrowing facility at our bank to \$70 million from \$45 million.
- Drilled 17 (net 10.9) wells with an 82% success rate.
- Maintained an undeveloped land base of over 70,000 net acres, including rights to earn over 16,000 gross undeveloped acres with well commitments.
- Conservative estimate of our inventory of low-risk drilling locations is over 100.

Financial and operating highlights for the first quarter of 2007 with comparisons to the first quarter of 2006 are as follows:

			%
<i>Financial (\$000's except per share amounts)</i>	Q1 2007	Q1 2006	Change
Production revenue	20,407	7,096	188
Cash flow from operations	10,504	4,133	154
Per basic share	\$ 0.41	\$ 0.20	105
Per diluted share	\$ 0.41	\$ 0.20	105
Net earnings	722	252	187
Per basic share	\$ 0.03	\$ 0.01	200
Per diluted share	\$ 0.03	\$ 0.01	200
Capital expenditures	26,898	29,911	(10)
Net debt	65,934	35,768	84
<i>Share Capital (000's)</i>			
Basic, weighted average	25,907	20,870	24
Basic, end of period	25,907	23,776	9
Fully diluted	28,298	25,450	11
<i>Daily Sales Volumes</i>			
Natural gas volumes (mcf/d)	21,221	5,715	271
Light oil (boe/d)	340	309	10
Liquids (boe/d)	553	165	235
Corporate (boe/d)	4,430	1,427	210
<i>Average Prices Realized</i>			
Natural gas (\$/mcf)	8.23	8.46	(3)
Light Oil (\$/bbl)	62.20	65.87	(6)
Liquids (\$/bbl)	55.86	60.78	(8)
Corporate (\$/boe)	51.19	55.26	(7)
<i>Netbacks (\$/boe)</i>			
Operating	29.79	35.18	(15)
Cash flow	26.35	32.20	(18)
<i>Wells drilled</i>			
Gross	17	8	113
Net	10.9	5.8	88

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

FINANCIAL REVIEW

Vero delivered another solid quarter and continued its consecutive quarter over quarter of growth which was highlighted by a 210% increase in production volumes, 188% increase in revenues and a 154% increase in cash flows from the comparable quarter of last year. Compared to the fourth quarter of 2006, daily volumes increased 34% to an average of 4,430 boe/d. Vero spent \$26.9 million during the quarter including drilling 17 (10.9 net) wells and achieved an 82% success rate. The Company spent aggressively on its capital program in the first quarter in anticipation of a slower second quarter and the potential for a turn around in natural gas prices. The colder than expected winter that occurred in February rewarded this decision and continued through the quarter end. Over 72% of these total expenditures were directed to drilling and completion costs, while 12% was devoted to facilities and tie-ins and 5% was for the shooting of proprietary 3D seismic data. In addition Vero spent \$2.5 million acquiring the remaining 50% interest in 60 boe/d along with 3,520 of undeveloped lands from our partner in the Corbett area,

Cash flow for the first quarter reached a Company record of \$10.5 million putting us well on our way to achieving our 2007 guidance of between \$1.47 and \$1.57 per fully diluted share. The significant increase in cash flow was lead by the increased production levels, which offset the modest natural gas price decline experienced in the current quarter from the same quarter in 2006. The increased production levels were also instrumental in lowering our operating cost per boe from the \$6.70 realized in the fourth quarter of 2006 to \$6.30 in the current quarter. The end result for the quarter was solid net earnings of \$722 thousand or \$0.03 for the quarter.

In addition and specifically due to our successful drilling program in the fourth quarter of 2006 and sizeable increase in proved producing reserves, the Company had its bank operating facility increased from \$45 million to \$70 million in March. This facility enhancement along with the private placement (\$17.9 million net), which closed on April 5 have given the Company the option to increase its 2007 capital program. We anticipate that the program will be expanded through the acceleration of our own organic drilling program and/or pursuing any prudent acquisitions that would be a strategic fit for the Company.

OPERATIONS REVIEW

Edson, Alberta

Edson is Vero's largest producing property where 10 (5.2 net) wells were drilled in the first quarter of 2007 with a success rate of 100%. Production in this area averaged 2,640 boe/d (87% natural gas) in the quarter. The production primarily targets the Rock Creek and Manville zones at 2,400-2,500 meters in depth and is characterized by gas with a very high liquid content, which can generate volumes of up to 30 bbls/mmcft. We are planning to drill approximately 22 (13.2 net) vertical and horizontal wells in 2007 which equates to at least 50% of our capital program for the year.

Currently there are 5 (4.4 net) horizontal producing wells and our plans are to drill 5 (3.4 net) additional horizontal wells in 2007. An application for reduced spacing was submitted in April of 2006 for the majority of the Company owned lands with expectations to have approval shortly. This would allow two producing wells per section and would give us a conservatively estimated drilling inventory of fifty-five wells by drilling the first and second wells in prospective sections. Vero also plans to install two compressors to alleviate the increase in pipeline pressures. The first compressor is

scheduled for install late in the second quarter to early in the third quarter and the second compressor will be installed in the second half of 2007.

Vero's acreage in the area consists of 26,720 gross (11,335 net) developed acres and 18,400 (10,324 net) undeveloped acres. It is anticipated that in due course, a majority of the acreage will have at least two wells per section. Therefore, the undeveloped acreage does not tell the whole story of the potential of this area. The Company moved 5,440 gross (3,824 net) undeveloped acres into developed categories in the past year by drilling successful wells. In addition, the Company has been successful in increasing its future inventory with farm-in agreements for well commitments to earn approximately 9,920 gross (4,505 net) undeveloped acres.

Wilson Creek

Wilson Creek is Vero's second largest producing area and is mainly an exploitation property. Production was an average of 625 boe/d (63% natural gas) in the first quarter. The oil is light and sweet (42 degrees API). This area has the highest netbacks in the Company's portfolio at approximately \$37/boe.

The future potential in this area is in the implementation of a water-flood in the Belly River oil pool. Submissions and applications to the regulatory bodies for the use of source water for the project have been made. Once approved, a submission for the water flood will follow. Equipment has been purchased to start the flood which Vero believes will be implemented in the second half of 2007. This project has the potential to substantially increase the current production and recoverable reserves from this pool. Currently, no incremental production from this project is factored into the Company's forecasted production for 2007. Furthermore, no incremental reserves have been booked on any of the potential upside from the flood even though simulations and reservoir analysis have shown a probability of increased recovery factors.

Whitecourt

In the first quarter of 2007 Vero drilled 4 (2.8 net) wells. Production in the Whitecourt area in the first quarter of 2007 averaged 520 boe/d (86% natural gas).

This area will also be an active one in 2007 as we currently have plans to drill at least double the number of wells from 2006 to 12-14 (7.2-8.4 net) wells. The area has a number of target zones ranging in depths from 500 to 1,700 meters. An application has been submitted to the regulators for reduced spacing on some of the tighter sands in the area which would allow the Company to produce from two wells per section.

Vero has been able to expand its land base over the past year and currently has approximately 38,880 gross undeveloped acres with an average working interest of 82%.

Corbett

In Corbett 2 (2.0 net) wells were drilled in the first quarter and plans are to drill up to six, 100% wells in 2007. The main focus in the area is the Nordegg at a depth of 1,250 meters.

Production averaged 470 boe/d (67% natural gas) in the first quarter. The area had a significant increase in production quarter over quarter due to the construction of a 100% owned gas processing facility in the fourth quarter of 2006 that was brought on stream in December. This allowed two oil wells that had been shut-in and awaiting gas conservation to be brought on-production. In addition, a

100% owned new pool discovery well that was drilled in the fourth quarter was brought on production in the quarter. Over 23.3 km² of 3D seismic was shot in the first quarter increasing our 3D coverage to 30.3 km². After the initial evaluation four 100% sections of crown land were purchased at the April land sale. The 100% owned facility we have in Corbett is the only one of its kind in the area. This gives Vero the potential to generate third party revenue as other operators start drilling their wells in proximity to the facility. These other operators are predominately drilling for coal bed methane (“CBM”) and while this is not Vero’s primary focus in this area, the results of these projects will be monitored as the Company does own the CBM rights on the majority of the Company’s lands in the area.

Vero increased its working interest to 100% in its producing wells in this area through the purchase of the interests of its partner on January 19, 2007.

Vero currently controls 25,758 gross acres in this area.

Alberta - Other

Vero drilled 1 (1.0 net) successful well in the quarter which is expected to be brought on production in the third quarter. Total current production for Vero’s non-core areas averaged 175 boe/d (75% natural gas) in the first quarter. Vero plans to drill approximately 7 (5.0 net) wells in 2007.

These lands have low risk shallow gas locations in Central Alberta with potential for up to thirteen follow up locations once the reduced spacing application is approved.

We also have higher risk, higher reward exploration plays of various depths. In the Ricinus area an exploration well of approximately 3,600 meters is planned to be drilled in the third quarter of 2007. Vero has pooled certain lands in Ricinus and will have a working interest of 37.5% in this well and the pooled lands. Further, there is ongoing geophysical and geological work being done on the Company’s high impact Devonian Leduc play in this area. Additional two dimensional seismic has been purchased and is currently being evaluated. After evaluation of this new data the Company will determine how to proceed since three dimensional seismic data is the best way to fully evaluate such plays. The play is structurally complex, due to the proximity to the Rocky Mountains, and with the significant cost of a 4,700 meter well it will require additional geological work to be done prior to drilling. A recent discovery in the area is currently producing 88 mmcf/d; has recovered 40 bcf in less than 2 years; and is estimated to contain approximately 250 bcf.

Vero has 34,519 gross acres in its non-core areas in Alberta.

OUTLOOK AND PRESIDENT’S MESSAGE

Vero executed on what it set out to do in the first quarter and delivered excellent results. We had an aggressive capital spending program and all projects that were planned, were completed in a timely fashion. The team managed our capital spending efficiently and the first quarter program came in slightly under the original forecast. In doing so, average production reached a corporate high of 4,430 boe/d for the quarter. During this active quarter, Vero kept its controllable costs in check and within the lowest levels of our peer group. Controlling or lowering these costs provides an excellent strategic advantage in this very competitive industry. The drilling program continued in our core areas and instead of reducing our inventory of undeveloped lands, we were able to expand it. Our successful drilling continues to lead us to additional developmental drilling opportunities. The quarter was highlighted by the drilling of a 970 meter, developmental, horizontal well that encountered 830 meters of the targeted zone. This is the Company’s longest horizontal well to date and what we believe is the

longest Rock Creek horizontal in Western Canada. The horizontal wells are predominately a developmental program and the Company presently intends to increase its efforts throughout the remainder of this year and into the future.

We will be limiting our capital spending in the second quarter to accommodate the spring break-up and to ensure we continue to spend our capital effectively and generate the highest possible returns. We currently anticipate that this will leave us with approximately \$43 million in net debt by the end of the second quarter. With the anticipated healthy second half cash flow and our \$70 million bank line, we currently anticipate expanding our capital program of internally generated projects, external opportunities and more than likely a combination of both. Towards the end of the second quarter and into the third quarter, we plan to become very active again and plan to drill twenty seven more wells this year.

We continue to be on target to meet our recently increased exit guidance of between 5,000 and 5,200 boe/d for 2007 and I look forward to reporting another successful quarter in August.

For more information and for the latest presentation please visit our website at www.veroenergy.ca.

Douglas J. Bartole
President and Chief Executive Officer

FINANCIAL STATEMENTS

Below is selected comparative financial statement information for the three months ended March 31, 2007 and March 31, 2006. For full disclosure of financials statements with their accompanying notes and the management, discussion and analysis, please visit our website or SEDAR.

VERO ENERGY INC.

Balance Sheet

(in thousands of dollars)

	March 31, 2007 (unaudited)	December 31, 2006 (audited)
ASSETS		
CURRENT		
Accounts receivable	12,746	15,308
Prepaid expenses and deposits	1,152	1,089
	13,898	16,397
Property and equipment	153,538	135,427
Goodwill	15,034	15,034
	182,470	166,858
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	31,583	30,286
Bank debt	48,249	35,651
	79,832	65,937
Asset retirement obligations	1,905	1,785
Future taxes	11,016	10,567
	92,753	78,289
SHAREHOLDERS' EQUITY		
Share capital	84,710	84,710
Contributed surplus	2,585	2,159
Retained Earnings	2,422	1,700
	89,717	88,569
	182,470	166,858

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

	2007	2006
REVENUE		
Production revenue	20,407	7,096
Royalties	(5,645)	(1,633)
Interest and other	-	89
	14,762	5,552
EXPENSES		
Operating	2,512	813
Transportation	375	134
General and administrative	694	293
Stock-based compensation	426	372
Interest and bank charges	677	162
Depletion, depreciation and accretion	8,907	3,389
	13,591	5,163
INCOME BEFORE INCOME TAXES	1,171	389
INCOME TAX EXPENSE		
Current	-	16
Future	449	120
	449	136
NET EARNINGS AND COMPREHENSIVE INCOME	722	252
RETAINED EARNINGS, BEGINNING OF PERIOD	1,700	665
RETAINED EARNINGS, END OF PERIOD	2,422	917
NET EARNINGS PER SHARE		
Basic	0.03	0.01
Diluted	0.03	0.01

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

	2007	2006
CASH FLOWS RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Net earnings	722	252
Adjustments for:		
Depletion, depreciation and accretion	8,907	3,389
Future income taxes	449	120
Stock-based compensation	426	372
	10,504	4,133
Changes in non-cash working capital	(4,393)	(4,757)
	6,111	(624)
FINANCING		
Increase in bank debt	12,598	6,779
Share issue costs	-	(41)
	12,598	6,738
INVESTING		
Corporate acquisition	-	(18,887)
Additions to petroleum and natural gas properties	(24,412)	(10,948)
Purchase of petroleum and natural gas properties	(2,478)	
Additions to administrative assets	(8)	(76)
Changes in non-cash working capital	8,189	11,274
	(18,709)	(18,637)
NET DECREASE IN CASH AND CASH EQUIVALENTS	-	(12,523)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	-	12,523
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 our anticipated 2007 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 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. The Company considers corporate netbacks as a key measure as it demonstrates its profitability relative to current commodity prices. 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 outstanding consistent with the calculation of net earnings per share, which per share amount is calculated under GAAP.

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