



PRESS RELEASE

VERO ANNOUNCES 2010 FINANCIAL AND OPERATING RESULTS HIGHLIGHTED WITH A 101% INCREASE IN OIL PRODUCTION

CALGARY, Alberta - March 8, 2011 – Vero Energy Inc. (“Vero” or the “Company”) (TSX-VRO) today announces its 2010 financial results. Copies of the complete audited financial statements and management’s discussion and analysis in respect thereof for the year ended December 31, 2010 will be available, in due course, through www.sedar.com or by visiting Vero’s website at www.veroenergy.ca.

2010 HIGHLIGHTS

- ✓ Increased average daily production by 23% to 8,522 boe/d from 6,941 in 2009.
- ✓ Increased light oil production by 101% in 2010 to average 656 bbl/d. In the fourth quarter oil production increased 238% to 949 bbl/d from 280 bbl/d in the same quarter of 2009.
- ✓ Fourth quarter 2010 liquids (oil and NGL) production rose to 25% of total production.
- ✓ Operating costs decreased 13% to \$ 8.02 per boe from \$9.18 per boe in 2009.
- ✓ Funds flow netbacks increased 68% to \$18.26 per boe from \$10.87 per boe in 2009.
- ✓ Funds flow was \$56.8 million which is a 106% increase over 2009 (\$1.28 per basic and diluted share representing a 86% increase over 2009).
- ✓ Drilled 31 (24.5 net) wells with a 100% success rate. 30 (24.2 net) of these wells were horizontal and 61% of these wells targeted light oil prospects. Vero was able to maintain its production guidance from the beginning of the year even though there was an emphasis on higher rate gas wells in the earlier forecasts.
- ✓ Net debt was \$123.8 million at year-end or 2.0 times annualized fourth quarter cash flow.

2011 UPDATE

- ✓ Current production is approximately 9,000 boe/d (73 % natural gas) based on field estimates.
- ✓ Drilled 8 (6.2 net) horizontal wells to date that have been completed or waiting on completion; waiting to complete 5 (4.0 net) wells, including 2 Notikewin horizontals, 2 Cardium oil horizontals, and one Viking horizontal.
- ✓ Currently drilling 3 (3.0 net) wells. Plans are for them to be completed and brought on prior to quarter end or early in the second quarter.

Financial and operational highlights for the quarter and year ended December 31, 2010 with comparative data for 2009 are as follows:

<i>Financial</i> <i>(\$000's except per share amounts)</i>	Three months ended December 31,			Twelve months ended December 31,		
	2010	2009	% Change	2010	2009	% Change
Production revenue	27,624	22,500	23	109,220	78,144	39
Funds flow from operations	15,294	9,538	60	56,772	27,550	106
Per basic share	0.33	0.23	43	1.28	0.69	86
Per diluted share	0.33	0.23	43	1.28	0.69	86
Net loss	(3,359)	(932)	261	(3,789)	(20,056)	(81)
Per basic share	(0.07)	(0.01)	600	(0.09)	(0.50)	(82)
Per diluted share	(0.07)	(0.01)	600	(0.09)	(0.50)	(82)
Capital expenditures (net)	43,558	2,662	1,536	129,851	37,529	246
Net debt	123,814	88,911	39	123,814	88,911	39
<i>Share Capital (000's)</i>						
Basic, weighted average	46,773	42,359	10	44,257	39,762	11
Basic, end of period	48,920	43,183	13	48,920	43,183	13
Diluted (treasury method)	46,773	42,359	10	44,257	39,762	11
Fully diluted	53,196	47,387	12	53,196	47,387	12
<i>Daily Sales Volumes</i>						
Natural gas volumes (mcf/d)	37,704	32,206	17	39,932	33,482	19
Light oil (boe/d)	949	280	238	656	327	101
Liquids (boe/d)	1,109	1,127	(2)	1,210	1,034	17
Corporate (boe/d)	8,341	6,775	23	8,522	6,941	23
<i>Average Prices Realized</i>						
Natural gas (\$/mcf)	4.08	4.94	(17)	4.39	4.33	1
Light Oil (\$/bbl)	79.06	74.19	7	75.00	59.15	27
Liquids (\$/bbl)	64.30	57.36	12	61.05	48.05	27
Corporate (\$/boe)	36.00	36.10	-	35.00	30.84	13
<i>Netbacks (\$/boe)</i>						
Operating	23.01	21.94	5	21.69	15.99	36
Funds flow	19.93	15.30	30	18.26	10.87	68
<i>Wells drilled</i>						
Gross	10	8	25	31	16	94
Net	6.7	6.4	5	24.5	13.9	76

- (1) Funds flow from operations is calculated as funds provided by operating activities from the statement of funds flows, adding change in non-funds 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 production revenue less royalties, transportation and operating costs calculated on a per boe basis. Funds flow netback uses the operating netback, adds interest and other income and then subtracts interest and general and administrative costs. Operating netback and funds flow from operations netbacks are not standardized measures prescribed by Canadian Generally Accepted Accounting Principles and therefore may not be comparable with the calculations of similar measures for other companies.

2010 IN REVIEW (all dollar amounts are in 000's except per share, boe, and per boe amounts unless specifically otherwise noted)

Vero is pleased to report to its shareholders that the Company has succeeded with its plans to transition to a more oil weighted producer. Natural gas prices started strong early in the year but fell off rapidly and continued to be soft throughout 2010 due to excess supply. As a result of continued low gas prices and early success in our Cardium horizontal drilling program, we decided to focus more on oil drilling. Our initial plans for 2010 included drilling approximately 15% of our total wells to target light oil. With the early successes realized, plans changed so that by the end of the year 61% of the wells drilled were for oil targets. The Company is pleased that throughout this shift we did not deviate from our initial average production guidance of 8,500 – 9,000 boed even though the typical gas well has 2.5 to 3 times higher production rates and 2 to 3 times more reserves than the oil wells. By concentrating drilling efforts on our expanding Cardium land base, the Company has grown oil production by 101% for the year and 238% for the last quarter of 2010 compared to 2009. Vero has also been able to increase the overall corporate liquids percentage to a current level of approximately 27% from the 20% average realized in 2009. Part of the transition plan was to take advantage of our early work and to increase land holdings in this play. We were very successful in this as we were able to increase our land holdings from 148 sections to 177 sections throughout the year through a combination of land sales, farmins on other land holders, and small strategic acquisitions. The Company invested in strategic infrastructure including: access roads, lease building, solution gas compression and pipelines. These expenditures required some high, initial capital expenditures in 2010 that will benefit the Company into the future. Our high netback oil production has become a significant contributor to the funds flows of the Company as over \$50 per barrel of oil equivalent netbacks were realized from this play in the last two months of 2010. The Cardium has become increasingly exciting for us as we continue to learn about the play, better understand the geology, and continue to modify our horizontal drilling and completion techniques to maximize the returns. Vero drilled 17 (12.7 net) Cardium horizontal wells in 2010 with a 100% success rate. With our increased Cardium land base of approximately 177 (111 net) sections and ongoing delineation of the play our Cardium drilling inventory increased from 135 to 150 locations. With continued drilling and definition of the opportunity we could see this location count exceed 260 locations.

While the fourth quarter of 2010 was met with a continued low natural gas price environment, Vero delivered a 23% increase in average production levels over the fourth quarter of 2009. For the year ended 2010, Vero achieved 8,522 boe/d representing a 23% increase in average production from 2009. Decreasing corporate controllable costs are also showing their benefits as production revenues were only up 39% year over year in 2010, but funds flow from operations were 106% higher at \$56.8 million or \$1.28 per share (weighted average and diluted) compared to the \$27.6 million (\$0.69 per share) in 2009. The net loss of \$3.8 million in 2010 was markedly lower than the \$20.1 million in 2009.

Vero's exploration and development capital spending in 2010 was \$124,445, which was 133% higher than the \$53,507 spent in 2009 as the Company drilled 31 gross (24.5 net) wells versus 16 gross (13.9 net) wells drilled in 2009. Vero's net debt was \$123,814 at December 31, 2010 representing an increase of 38% from December 31, 2009. The active drilling program in 2010 and \$8,888 of producing property acquisitions accounted for much of the increase. In addition Vero spent \$7 million on land acquisitions which included \$4 million in respect of its new venture into the shale gas play of British Columbia.

Recognizing natural gas price volatility; the Company concentrated its remaining drilling efforts on liquids rich natural gas which provide good returns even in a low natural gas sales price environment. In addition Vero embarked on a venture into the shale gas plays of north east British Columbia with a crown land acquisition in the Cordova Embayment. This area has long tenure that has potential for solid future organic growth. The Company will spend minimal capital at this time and the ultimate pace of development can parallel the price of natural gas.

On the liquidity front, Vero increased its borrowing base with its syndicate of banks to \$140 million in May of 2010. Even in the face of lower gas price decks, this borrowing base was maintained in its mid-year review as a result of Vero's strong drilling success. Vero added to its financial resources during the latter part of 2010 with a \$35 million common/flow-through share equity issuance. This financing gave Vero enhanced financial flexibility.

2011 OUTLOOK

Based on field estimates Vero is currently producing 9,000 boe/d. Due to heavy industry demand for fracturing services, the timing of our completions continue to see delays which constantly push back on-production dates for new wells. Currently Vero has five wells that are waiting on completions and also has three drilling rigs operating. Completions of the wells being drilled are expected to occur by mid – April but will depend on the availability of completion services and the onset of spring break-up in Western Canada. After the completion of our first quarter wells that are waiting on completion or that are currently drilling, Vero forecasts that production should be in the 10,500 – 11,000 boe/d range.

Vero will continue to follow its philosophy of being flexible with its capital spending. Vero has built its forecasts around current strip prices for natural gas of \$3.50/GJ and oil at \$94 per boe. The plan can be accelerated, pulled back or redirected depending on commodity prices. Plans for 2011 include investing approximately \$100 million in exploration and development projects. This includes the planned drilling of 26-28 net horizontal wells with 18-20 targeting Cardium prospects. The Company believes continuing the focus on this play is a prudent business plan with future development costs of proved plus probable reserves in the \$15- \$20 per boe range and the solid netbacks this play is delivering. The remainder of the 2011 horizontal liquids rich gas wells to be drilled will be predominately in the Notikewin and Wilrich formations, and to a lesser extent Bluesky and Rock Creek zones. The first quarter of 2011 will see us drill and complete approximately 10 (8.6 net) horizontal wells and one vertical well. Five of these wells are planned as horizontal Cardium oil wells, four are planned high impact, liquids-rich, Notikewan horizontal wells, and one horizontal Viking gas well. The company forecasts 2011 average production to be 10,000-10,500 boed (71-73% Natural gas). The second quarter will be one where cash flow is anticipated to exceed capital expenditures as we slow spending due to spring break-up. Vero's budget will be continually reviewed by management as the year unfolds.

Vero's capital and operating cost structure continues to be at the forefront of our planning. Vero strives to add efficiencies wherever possible. Vero has been successful in the pursuit of lower operating costs throughout 2010 and expects costs to decline in 2011 to the mid \$7 per boe level. Capital spending will be consistent with our "transitional" strategy to increase our liquids weighting to approximately 30-35% of our production portfolio by the end of 2011.

In summary, within its range of existing opportunities, Vero has been successful in shifting its focus to a greater proportion of oil production. This will continue in 2011 and the increase in our corporate netbacks levered to our increased oil production confirms that the transition has had and will continue to have, solid economics. Vero will continue to prudently manage its asset base to ensure maximum flexibility from a financial and business strategy standpoint throughout 2011. I look forward to updating you on our future successes.

Sincerely,

“Signed”

Douglas J. Bartole
President and Chief Executive Officer
March 8, 2011

FINANCIAL STATEMENTS

Below is selected financial statement information for the year ended December 31, 2010 with comparative data for December 31, 2009. For full disclosure of our audited financials statements with notes and the Management, Discussion and Analysis, please visit our website or SEDAR.

VERO ENERGY INC.

Statements of Operations, Comprehensive Loss and Retained Earnings

(in thousands of dollars, except per share data)

	2010	2009
REVENUE		
Production revenue	108,874	78,144
Realized gain (loss) on risk management activities	523	(2,938)
Unrealized loss on risk management activities	(177)	(1,245)
	109,220	73,961
Royalties	(11,568)	(11,127)
Interest and other	197	217
	97,849	63,051
EXPENSES		
Operating	24,950	23,254
Transportation	4,892	3,235
General and administrative	6,171	5,851
Stock based compensation	3,171	4,851
Interest and bank charges	5,241	4,406
Depletion, depreciation and accretion	58,799	47,961
	103,224	89,558
LOSS BEFORE INCOME TAXES	(5,375)	(26,507)
INCOME TAXES		
Future income tax recovery	(1,586)	(6,451)
	(1,586)	(6,451)
NET LOSS AND COMPREHENSIVE LOSS	(3,789)	(20,056)
RETAINED EARNINGS, BEGINNING OF PERIOD	5,784	25,851
Repurchase of shares	-	(11)
RETAINED EARNINGS, END OF PERIOD	1,995	5,784
NET LOSS PER SHARE		
Basic	(0.09)	(0.50)
Diluted	(0.09)	(0.50)

VERO ENERGY INC.

Balance Sheets

As at December 31,

<i>(in thousands of dollars)</i>	2010	2009
ASSETS		
CURRENT		
Accounts receivable	27,458	29,541
Prepaid expenses and deposits	3,241	4,566
Loans receivable	-	2,289
	30,699	36,396
Property and equipment	359,195	287,645
Goodwill	19,913	19,913
	409,807	343,954
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	60,349	47,588
Current portion of risk management contracts	1,422	1,132
Bank debt	94,164	77,719
	155,935	126,439
Risk management contracts	-	113
Asset retirement obligations	5,636	5,379
Future income taxes	16,273	15,286
	177,844	147,217
SHAREHOLDERS' EQUITY		
Share capital	218,764	181,343
Contributed surplus	11,204	9,610
Retained Earnings	1,995	5,784
	231,963	196,737
	409,807	343,954

VERO ENERGY INC.**Statement of Cash Flows***(in thousands of dollars, except per share data)*

	2010	2009
CASH FLOWS RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Net loss	(3,789)	(20,056)
Adjustments for:		
Unrealized loss on risk management activities	177	1,245
Stock based compensation	3,171	4,851
Depletion, depreciation and accretion	58,799	47,961
Future income taxes	(1,586)	(6,451)
	56,772	27,550
Asset retirement costs	(341)	(571)
Changes in non-cash working capital	4,652	(24,835)
	61,083	2,144
FINANCING		
Increase (decrease) in bank debt	16,445	2,300
Proceeds from issuance of common shares, net of share issue costs	32,660	25,636
Loans to officers / directors	2,289	(1,939)
Stock option exercises	4,857	-
Repurchase of shares	-	(86)
	56,251	25,911
INVESTING		
Additions to petroleum and natural gas properties	(124,445)	(53,507)
Purchase of petroleum and natural gas assets	(7,988)	(350)
Additions to administrative assets	(27)	(7)
Proceeds on sale of petroleum properties	3,609	16,335
Changes in non-cash working capital	11,517	9,474
	(117,334)	(28,055)
NET INCREASE (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 see the latest corporate presentation, which will be available on or about March 8, 2011 on the Vero Energy Inc. website at www.veroenergy.ca.

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 including forecast 2011 average and exit rates, initial production rates, reserve estimates and estimated value of reserves, drilling inventory and wells to be drilled, timing of drilling and tie-in of wells, current drilling incentives, productive capacity and product mix of new and existing wells, funds flow expectations, ability to execute on our 2011 capital expenditure plans and the timing thereof, future oil and natural gas prices, future liquidity and financial capacity, maintaining or increasing our credit facility with our bankers; future results from operations and operating metrics, forecast reductions in operating costs and prospectivity of our Cardium inventory may constitute forward-looking statements under applicable securities laws and necessarily involve risks including, without limitation, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, incorrect assessment of land values, environmental risks, competition from other producers, inability to retain drilling rigs and other services, the timing and length of plant turnarounds and the impact of such turnarounds and the timing thereof, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources. Forward looking statements or information is based on a number of factors and assumptions which have been used to develop such statements and information but which may prove to be incorrect. As a consequence, the Company's actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly no assurance can be given that any events anticipated by the forward-looking statements will transpire or occur, or, if any of them do so, what benefits the Company will derive therefrom. In addition to other factors and assumptions which may be identified in this document and other documents filed by the Company, assumptions have been made regarding, among other things: the impact of increasing competition; the general stability of the economic and political environment in which the Company operates; the ability of the Company to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the ability of the operator of the projects which the Company has an interest in to operate the field in a safe, efficient and effective manner; the Company's ability to obtain financing on acceptable terms; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development or exploration; the timing and costs of pipeline, storage and facility construction and expansion; the ability of the Company to secure adequate product transportation; future oil and natural gas prices; currency, exchange and interest rates; the regulatory framework regarding

royalties, taxes and environmental matters in the jurisdictions in which the Company operates; and the Company's ability to successfully market its oil and natural gas products.

Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could effect the Company's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com), and the Company's website (www.veroenergy.ca). Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

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.

Non-GAAP terms: This press release contains the terms "funds flow from operations" and "netbacks" which are not terms recognized under Generally Accepted Accounting Principles ("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, funds 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 funds 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 (including hedging gains and losses) and subtracting royalties, operating expenses and transportations costs on a per boe basis. Funds flow netbacks are calculated by taking the operating netback, adding interest and other income and then subtracting interest costs, and general and administrative costs on a per boe basis.