



PRESS RELEASE

VERO ENERGY INC. HIGHLIGHTS RECORD PRODUCTION AND POSITIVE EARNINGS IN ITS SECOND QUARTER OF 2010 FINANCIAL AND OPERATING RESULTS

CALGARY, Alberta – August 9, 2010 – Vero Energy Inc. (“Vero” or the “Company”) (TSX-VRO) today announces its second quarter, 2010 financial results. Copies of the financial statements and management discussion and analysis in respect thereof for the quarter ended June 30, 2010 will be available, in due course, through www.sedar.com or by visiting Vero’s website at www.veroenergy.ca.

Second Quarter 2010 Highlights

- ✓ Increased average daily production 28% to 9,010 boe/d from 7,040 boe/d during the second quarter of 2009.
- ✓ Funds flow from operations was \$13.9 million equating to \$0.32 per share (basic and diluted), a 113% increase over the same quarter in 2009.
- ✓ Net earnings were \$574 thousand representing a 105% turnaround from the \$10,748 thousand loss in the second quarter of 2009.
- ✓ Achieved an operating netback of \$20.36 per boe and funds flow netback of \$16.94 per boe.
- ✓ Drilled 2 (2.0 net) horizontal wells with a 100% success rate. The wells, a Cardium and a Wilrich, were both new pool discoveries.
- ✓ Completed the annual bank credit facility review resulting in an increase in the facility to \$140 million.
- ✓ Invested \$4.0 million at a Crown land sale in Northeast B.C. giving Vero exposure to a significant new shale gas resource play.
- ✓ Negotiated farm-in agreements on 19 high-graded sections of land in Edson. The agreements:
 - typically have rolling options keeping initial capital to a minimum;
 - typically earn all rights, including: Rock Creek, Bluesky, Wilrich, Notikewin and Cardium.

Financial and operating highlights for the second quarter of 2010 with comparisons to the second quarter of 2009 are as follows:

<i>Financial (\$000's except per share amounts)</i>	Three Months ended June 30,			Six months ended June 30,		
	2010	2009	%	2010	2009	%
Production revenue	27,472	17,612	56	56,955	39,747	43
Funds flow from operations ⁽¹⁾	13,879	5,767	141	29,477	13,969	111
Per basic share	0.32	0.15	113	0.68	0.37	84
Per diluted share	0.32	0.15	113	0.67	0.37	81
Net earnings (loss)	574	(10,748)	105	2,886	(15,443)	119
Per basic share	0.01	(0.28)	104	0.07	(0.41)	117
Per diluted share	0.01	(0.28)	104	0.07	(0.41)	117
Capital expenditures, net	14,020	1,717	717	54,057	29,895	81
Net debt ⁽²⁾	111,875	106,000	6	111,875	106,000	6
Share Capital (000's)						
Basic, weighted average	43,472	38,710	12	43,355	37,837	15
Basic, end of period	43,511	40,952	6	43,511	40,952	6
Fully diluted	47,376	43,917	8	47,376	43,917	8
Daily Production						
Natural gas volumes (mcf/d)	42,531	34,427	24	41,500	34,960	19
Light oil (boe/d)	556	314	77	517	370	40
Liquids (boe/d)	1,366	987	38	1,276	998	28
Corporate (boe/d)	9,010	7,040	28	8,709	7,195	21
Average Realized Prices						
Natural gas (\$/mcf)	4.24	3.92	8	4.74	4.56	4
Light Oil (\$/bbl)	73.40	59.28	24	74.12	51.30	44
Liquids (\$/bbl)	59.09	40.38	46	62.32	41.31	51
Corporate (\$/boe)	33.51	27.49	22	36.13	30.52	18
Netbacks (\$/boe)						
Operating ⁽⁴⁾	20.36	13.38	52	22.17	14.41	54
Funds flow	16.94	9.00	88	18.70	10.73	74
Wells drilled						
Gross	2	-	-	12	7	71
Net	2.0	-	-	10.6	6.4	66

(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 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

Vero achieved record average production of 9,010 boe/d for the second quarter, and in the process turned in another quarter of profitability. Vero continues to be on track to meet its average 2010 production guidance of 8,500 - 9,000 boe/d targeting an exit of 9,800 – 10,300 boe/d with its active drilling program.

Growth through the drill bit continues to be Vero's primary focus. Drilling has been the driver of Vero's growth since its inception over four years ago, and has also been the mainstay in overcoming the turmoil of 2009. The Company continues to demonstrate that it has high-growth, multiple zone assets as demonstrated by its production growth over the past several quarters. These assets are very diverse and contain a large number of productive, repeatable zones on which to expand the Company's portfolio. Even taking into account the dispositions of non-core assets in the fourth quarter of 2009 and second quarter of 2010, the Company has been able to increase its quarterly average production from a low of 6,610 in the third quarter of 2009 to over 9,000 boe/d in the most recent quarter. At the heart of this production growth is Vero's 100% drilling success rate for over the past two years and leverage to improving technologies.

Vero continues to plan into the future for long term organic growth. With this in mind, Vero has recently entered into farm-in agreements to earn up to 19 sections of land in its Edson core. The agreements generally have options to spend more capital based on success, keeping initial capital spending manageable and minimizing obligations. Terms vary, but typically rights earned include: Rock Creek, Bluesky, Wilrich, Notikewin and Cardium. Vero has significant history and knowledge in the Edson area. These sections have been high-graded and have potential to add a large inventory of new locations. Currently, the Company has plans to drill two Cardium wells and one each of Notikewin and Wilrich wells on these lands.

Building on the Company's strategy of long term planning, Vero has embarked on an exciting new resource prospect. At the June B.C. Crown land sale Vero was successful in acquiring 2,598 acres (100%) of prospective shale gas rights in the Cordova Embayment adjacent to the Horn River basin. The Company is excited about this new resource play that it has been developing, with much preliminary technical groundwork laid in the lead up to the June land sale. The prospective resource assessment performed by Vero's third party engineering firm, the details of which can be found in Vero's press release dated August 3, 2010, supports Vero's belief in the potential of this property. The option value on the purchase price of these lands in the best estimate prospective resource case is \$0.02/mcf. The Corporation will expend minimal capital in 2010, using the balance of this year to plan and make ready its 2011 capital program for this project. There is considerable term on the lands, and assessment and development is proportional and manageable for Vero in upcoming years. The lands were chosen specifically for their access to current midstream infrastructure. This project is believed to be manageable and proportional to Vero's current and future cash flow projections. It is also well within the Company's expertise of low cost horizontal drilling and multi-frac completions. This shale gas prospect has the potential over time to significantly add to Vero's reserves. There is much work to do on this property and Vero will proceed in a logical process spending capital prudently in developing this asset while continuing its exploitation of its mainstream Alberta resource prospects. With the opportunities and current prospective inventories, Vero believes it has the potential to add significant organic growth per share in both production and reserves for many years.

Excellent results notwithstanding, the second quarter was a slow quarter for drilling and completion operations, and there were significant weather issues in the second half of the quarter. The Company has been more active in the third quarter to date despite continued wet weather which has slowed operations considerably. Completions and operations, which require moving fluid, have been, at times,

very difficult. This has been delaying production additions from new drilling. For the second half of the year, the Company is planning to drill approximately 22-24 gross (16-18 net) horizontal wells. Vero's focus will continue with drilling and delineation of its light oil plays on which it plans for 15-18 gross (10-11 net) wells. Gas well drilling will be high graded to target high impact, liquids rich plays that the Company believes are as economic as any natural gas play in North America. In the third quarter, Vero plans to drill approximately 8-9 (6-7 net) wells with six wells targeting prospective oil formations. A continued strategy will include ongoing non-core dispositions whereby proceeds can be redeployed to core projects. There has recently been some robust activity regarding certain of these non-core assets. More than sixty five percent of Vero's wells already drilled and remaining to be drilled in 2010 had no reserves booked in its year end 2009 reserves report.

In summary, Vero has developed a low operating and finding and developing cost structure, a testimony to the strength of its technical team and resource potential of its growth oriented asset base, which continues to expand through strategic farm-ins and land acquisitions. These attributes, coupled with the Company's solid strategic plan, will allow Vero to adjust as future circumstances dictate and be the key drivers for future success. The Company continues to focus on profitable growth while remaining flexible. This will ensure that Vero is positioned to take advantage of the opportunities that continually arise in this industry.

FINANCIAL REVIEW

The economy still had its share of challenges in the second quarter of 2010 and natural gas prices declined from what was an encouraging uplift early in the first quarter. Nevertheless, Vero was able to deliver strong financial results. The Company drilled two new pool wildcat wells in the second quarter with 100% success and further benefitted from the solid drilling program in the previous two quarters. These operational achievements successfully resulted in another quarter of positive net earnings. Vero achieved a 28% increase in produced volumes to 9,010 boe/d over the 7,040 boe/d from the second quarter in 2009. On a per share basis this amounted to \$0.01 earnings per share for both basic and diluted shares. The Company continued to improve its operating efficiencies across controllable cost categories as a result of both production growth and increasing throughput at Company owned infrastructure. This resulted in operating expenses decreasing by 4% to \$8.32 per boe and royalty expenses decreasing by 9%. All of these factors helped contribute to an 88% increase in funds flow netbacks as compared to 2009. Aggregate funds flow for the second quarter of 2010 was \$13.9 million or \$0.32 per basic and diluted share.

Vero invested \$14.0 million (net of \$1.7 million of drilling incentives) in capital spending during the quarter. Within this spending Vero continued its focus on the continued development of its key resource plays in Edson. In addition, Vero continues to evaluate the intrinsic value of its non-core assets resulting in the disposition of certain producing wells in West Central, Alberta area for net proceeds of \$3.5 million. In addition, \$5.3 million was spent on Crown land acquisitions, highlighted by the \$4.0 million purchase of prospective shale gas lands in Northeast British Columbia.

Vero's balance sheet remains solid. During the second quarter, Vero concluded its annual bank credit facility review. The facility was increased to \$140 million from the previous level of \$115 million. At the end of the second quarter of 2010 bank debt was \$107 million (76% drawn on the \$140 million facility) while net debt was just under \$112 million.

OPERATIONS REVIEW

Edson, Alberta

Edson continues to be the flagship in Vero's production base. This area accounted for 79% of total corporate production. During the quarter it achieved production of 7,087 boe/d (77% natural gas). Vero's original primary geological targets in Edson are the Mannville and Rock Creek zones, which range in depth from 2,000 to 2,500 meters and are characterized by gas with a high liquid content, capable of generating liquid volumes of up to 45 bbls/mmcf. The Company is also now aggressively exploiting oil targets, on which it has significant land holdings.

During the quarter, the Company drilled 2 (2.0 net) horizontal wells including one Cardium oil well, with a success rate of 100%. A third, 100% Cardium oil well that was started in the second quarter, was still drilling at June 30. Drilling for the second half of the year is currently anticipated to focus entirely on drilling in the Edson area with 22-24 gross (16-18 net) wells planned, and a continued focus on light oil lands. In addition, Vero continues to improve its operational efficiencies with a view to reducing operating costs. The new 12 mmcf/d gas compression and dehydration facility at Pine Creek, built in the first quarter and brought on line in the last week of March, had a full quarter of operation and was instrumental in Vero achieving operating cost reductions.

Vero's acreage in the area consists of 78,240 gross (47,509 net) developed acres and 68,800 gross (58,258 net) undeveloped acres. The average working interest in Edson is 85%.

With Vero's relatively low costs at Edson, both capital and operating, it has the flexibility to respond quickly and efficiently to prevailing commodity prices. Coupling facility and operational control to a high quality inventory, characterized by short on-stream cycle time, will allow Vero the opportunity to create significant incremental value as commodity prices recover.

Whitecourt

Whitecourt is Vero's second largest producing area at 16% of total corporate production. Production averaged 1,481 boe/d (89% natural gas) in the second quarter.

Vero continues to evaluate this area for prospective new wells and continually adds to its undrilled inventory. Once natural gas prices improve, many of these wells can be moved into the queue for exploitation. In the meantime, Vero will continue to optimize its operating cost structure in this area.

Vero currently controls 33,440 (19,714 net) developed acres and 33,440 (26,247 net) undeveloped acres in this area.

Other Areas

Total production for non-core areas in the third quarter was 442 boe/d (68% natural gas). Vero has 58,603 (45,580 net) developed acres and 48,504 (25,392 net) undeveloped acres in these areas. Included in this category is the 2,598 net acres of undeveloped land that Vero purchased late in the quarter in the Cordova Embayment in Northeast British Columbia. This land has the potential to provide Vero with numerous drilling opportunities in the intermediate and long term.

FINANCIAL STATEMENTS

Below is selected financial statement information for the three and six month periods ended June 30, 2010 and 2009. For full disclosure of Vero's financial statements with their accompanying notes and the Management's Discussion and Analysis, please visit Vero's website or SEDAR.

VERO ENERGY INC.

Balance Sheet

(unaudited)

(in thousands of dollars)

	June 30, 2010	December 31, 2009
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ASSETS

CURRENT

Accounts receivable	32,004	29,541
Prepaid expenses and deposits	3,494	4,566
Risk management contracts	2,183	-
Loans receivable	-	2,289

	37,681	36,396
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Property and equipment

313,947

287,645

Goodwill

19,913

19,913

	371,541	343,954
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LIABILITIES

CURRENT

Accounts payable and accrued liabilities	40,006	47,588
Current portion of risk management contracts	-	1,132
Bank debt	107,367	77,719

	147,373	126,439
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Risk management contracts

103

113

Asset retirement obligations

5,289

5,379

Future taxes

18,724

15,286

	171,489	147,217
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SHAREHOLDERS' EQUITY

Share capital	180,441	181,343
Contributed surplus	10,941	9,610
Retained Earnings	8,670	5,784

	200,052	196,737
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	371,541	343,954
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VERO ENERGY INC.

Statement of Operations, Comprehensive Income (Loss) and Retained Earnings For the three and six month periods ended June 30, (in thousands of dollars, except per share data)(unaudited)

	Three months ended June 30		Six months ended June 30	
	2010	2009	2010	2009
REVENUE				
Production revenue	27,472	17,612	56,955	39,747
Realized loss on risk management activities	(45)	(462)	(169)	(462)
Unrealized gain (loss) on risk management activities	2,420	(5,344)	3,325	(5,344)
	29,847	11,806	60,111	33,941
Royalties	(2,541)	(2,177)	(6,217)	(7,434)
Interest and other	140	21	190	42
	27,446	9,650	54,084	26,549
EXPENSES				
Operating	6,824	5,583	13,250	11,404
Transportation	1,380	818	2,369	1,682
General and administrative	1,626	1,749	3,102	2,945
Stock based compensation	741	2,219	1,721	3,558
Interest and bank charges	1,317	1,077	2,561	1,893
Depletion, depreciation and accretion	14,496	12,491	27,930	25,101
	26,384	23,937	50,933	46,583
INCOME (LOSS) BEFORE INCOME TAXES	1,062	(14,287)	3,151	(20,034)
INCOME TAXES				
Future tax expense (recovery)	488	(3,539)	265	(4,591)
	488	(3,539)	265	(4,591)
NET EARNINGS (LOSS) AND COMPREHENSIVE INCOME (LOSS)	574	(10,748)	2,886	(15,443)
RETAINED EARNINGS, BEGINNING OF PERIOD	8,096	21,145	5,784	25,851
Repurchase of shares	-	-	-	(11)
RETAINED EARNINGS, END OF PERIOD	8,670	10,397	8,670	10,397
NET EARNINGS (LOSS) PER SHARE				
Basic	0.01	(0.28)	0.07	(0.41)
Diluted	0.01	(0.28)	0.07	(0.41)

VERO ENERGY INC.

Statement of Cash Flows

For the three and six month periods ended June 30,

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

	Three months ended		Six months ended	
	June 30		June 30	
	2010	2009	2010	2009
CASH FLOWS RELATED TO THE FOLLOWING ACTIVITIES:				
OPERATING				
Net earnings (loss)	574	(10,748)	2,886	(15,443)
Adjustments for:				
Unrealized (gain) loss on risk management activities	(2,420)	5,344	(3,325)	5,344
Stock-based compensation	741	2,219	1,721	3,558
Depletion, depreciation and accretion	14,496	12,491	27,930	25,101
Future income taxes	488	(3,539)	265	(4,591)
	13,879	5,767	29,477	13,969
Asset retirement costs incurred	(22)	-	(265)	-
Changes in non-cash working capital	4,931	2,677	2,489	(11,373)
	18,788	8,444	31,701	2,596
FINANCING				
Increase (decrease) in bank debt	13,884	1,521	29,648	28,550
Proceeds from issuance of common shares, net of share issue costs	-	13,923	-	13,923
Loans to officers / directors	-	1,167	2,289	(2,506)
Stock option exercises	582	-	981	-
Repurchase of shares	-	-	-	(86)
	14,466	16,611	32,918	39,881
INVESTING				
Additions to petroleum and natural gas properties	(17,418)	(1,715)	(50,931)	(30,033)
Purchase of petroleum and natural gas assets	(127)	-	(5,751)	-
Additions to administrative assets	(3)	(2)	(3)	(7)
Proceeds on sale of petroleum properties	3,528	-	3,528	145
Changes in non-cash working capital	(19,234)	(23,338)	(11,462)	(12,582)
	(33,254)	(25,055)	(64,619)	(42,477)
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, including new details on the new resource play on or about August 9, 2010.

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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, and the timing thereof, production estimates, drilling inventory and wells to be drilled, timing of drilling and tie-in of wells, productive capacity of new wells, anticipated year-end production exit rates, capital expenditures and the ability to fund the 2010 capital program, capital efficiencies and the completion of dispositions and the timing thereof, Vero's belief in the prospective nature and potential of its Cordova Embayment prospect area, 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 and resource 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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