



ENHANCED OIL RESOURCES INC REPORTS 260% INCREASE IN OIL AND GAS REVENUE FOR 2008

HOUSTON, April 9 /CNW/ - Enhanced Oil Resources, Inc. (TSX-V: EOR) announces its audited financial results for the year ending December 31, 2008.

Oil and gas revenue in 2008 increased \$3.1 million or 260% to \$4.3 million as a result of increased production and an increase in the average price of oil and gas sales compared to 2007. During 2008, the Company acquired the Crossroads Devonian Unit and post acquisition has increased daily production from 38 barrels of oil per day (bopd) to a current production rate of 112 bopd. Gross oil sales increased to 53,700 barrels of oil equivalents ("boe's") or 42,700 net boe's compared to 17,900 net boe's in 2007, an increase of 140% over net sales in 2007. For 2008 the Company averaged 147 boe's per day while current daily production is averaging approximately 200 boe's per day. The average price received for sales was US\$93.24 per boe compared to US\$66.23 per boe received in 2007. Lease operating expenses related to oil and gas properties increased \$1.4 million related to additional production. Improved operating efficiencies and well cycling at the Chaveroo oil field have resulted in an overall reduction of operating costs per boe to \$27.11 in the 4th quarter of 2008 as compared to \$53.93 in the first three quarters of the year. Activity to further reduce operating costs is ongoing.

The Company incurred a net loss and comprehensive loss of \$10.1 million for the year ended December 31, 2008 compared to a net loss of \$10.0 million compared to the same period in 2007. The Company reported loss per share of \$.09 for 2008 compared to \$.13 per share reported for 2007 on average outstanding shares of 107,487,030 shares in 2008 compared to 78,602,164 average outstanding shares reported for 2007. Operating expense and general and administrative expense increased \$1.5 million and \$1.9 million, respectively, in 2008 as a result of increased production and increased personnel related to the Company's two business segments. Non-cash expense decreases aggregating of \$1.7 million compared to 2007 were principally comprised of a foreign currency translation gain in 2008 of \$1.4 million and a decrease in stock-based compensation expense of \$0.7 million. Depreciation, depletion and accretion expenses increased \$0.9 million in 2008.

At December 31, 2008, the Company had a working capital of \$6.4 million, principally cash of \$5.2 million. Resource property expenditures in the St. Johns Field were \$33.4 million in 2008 compared to \$22.2 million in 2007. Expenditures related to oil and gas properties were \$18.3 million in 2008, including oil field acquisitions of \$6.1 million and CO2 pilot project expenditures of \$7.4 million.

Chief Executive Officer Barry Lasker stated "The results achieved in 2008 were significant in moving us further along toward reaching our objectives for our two key strategic project areas. These projects are inherently long-term and management will continue to take a long-term view as it considers, among other criteria, current and expected economic and operating

alternatives. To that end, we engaged Tristone Capital in February 2009 to assist us in securing a development partner in the St Johns Field. That project is moving toward a mid-year conclusion and we are optimistic that it can result in the commencement of the full-field development of the St Johns Field in the near term. We remain encouraged by the results to date of our Milnesand pilot CO₂ injection project and with continued positive results we anticipate being able to add significant value to the Company in additional reserves and production."

The Company reported that among the significant results achieved in 2008 compared to 2007 were the following:

- Raised aggregate net proceeds of \$91.6 million through equity issuances of \$32.5 million and \$59.1 million, respectively;
- Drilled and completed 15 wells and 13 wells, respectively in the St Johns Field;
- Delivered independent engineering reserve estimates in 2008 of recoverable CO₂ and helium of 4.2 Tcf and 18 Bcf respectively;
- Increased St Johns' Field acreage in 2008 to 250,714 gross acres and initiated the unitization process for Arizona leases;
- Increased net crude oil production to 42,700 boe's compared to 17,900 boe's;
- Reactivated 50 oil wells to production
- Acquired oil field interests at Crossroads Unit in Lea County, New Mexico with estimated contingent resources of approximately 13 million barrels potentially recoverable through CO₂ injection compared to acquisitions in 2007 of an estimated CO₂ recoverable contingent resource of approximately 53 million barrels; Crossroads Unit represents current proved reserves of 148 thousand Bbls
- Acquired a field extension to the Milnesand Unit for US\$0.436 million in October 2008.
- Reported net oil and gas netback of \$28.12 per BOE;
- Reported a decrease in cash used by operations of 30% to \$3.474 million;

About Enhanced Oil Resources Inc.

Enhanced Oil Resources Inc. is an early-stage company, with two principal business segments of

- i. Crude oil and natural gas production through enhanced oil recovery ("EOR") projects it is initiating in the Permian Basin on oil fields acquired by the Company in 2007 and 2008 for that purpose.

- ii. Helium and CO(2) resource exploration and production through property interests it controls in approximately 251,000 gross acres of land within the St Johns Helium/CO(2) field in Arizona and New Mexico, and where the Company is developing what is thought to be the largest undeveloped helium and carbon dioxide field in North America.

Forward-Looking Statement

Certain statements contained herein are forward-looking statements, including statements relating to Enhanced Oil Resources' operations; business prospects, expansion plans and strategies. Forward-looking information typically contains statements with words such as "intends," "anticipate," "estimate," "expect," "potential," "could," "plan" or similar words suggesting future outcomes. Readers are cautioned not to place undue reliance on forward-looking information because it is possible that expectations, predictions, forecasts, projections and other forms of forward-looking information will not be achieved by Enhanced Oil Resources. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties. A change in any one of these factors could cause actual events or results to differ materially from those projected in the forward-looking information. Although Enhanced Oil Resources believes that the expectations reflected in such forward-looking statements are reasonable, Enhanced Oil Resources can give no assurance that such expectations will prove to be correct. Forward-looking statements are based on current expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by Enhanced Oil Resources and described in the forward-looking statements or information. The forward-looking statements are based on a number of assumptions which may prove to be incorrect. Readers should be aware that the list of factors, risks and uncertainties set forth above are not exhaustive. Readers should refer to Enhanced Oil Resources' current filings, which are available at www.sedar.com, for a detailed discussion of these factors, risks and uncertainties. The forward-looking statements or information contained in this news release are made as of the date hereof and Enhanced Oil Resources undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable laws or regulatory policies.

ON BEHALF OF THE BOARD OF DIRECTORS



Barry D Lasker, CEO

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For more information visit our Website at www.enhancedoilres.com. Retail investors please call Don Currie on 1-888-990-3551. Institutional investors please call Stephanie Feldman of EnerCom, Inc. at (303)-296-8834.