

ENHANCED OIL RESOURCES INC. PROVIDES OPERATIONS UPDATE

Listed: TSX Venture Exchange (Symbol: EOR)

Houston, TX, Jan. 10 -- Enhanced Oil Resources Inc. (the "Company") is pleased to provide the following operations and corporate update.

Since our last report to shareholders in December the Company has progressed on several fronts. At the Company's St Johns Helium and CO₂ field in Arizona and New Mexico drilling operations are underway after initializing drilling on December 28th, 2007. The Forster drilling rig is currently on the 11-29-31 well location. Operations are currently working on the drilling rig to upgrade pumps. Following completion of this task the well will be drilled to test the Amos Wash reservoir found productive in offsetting wells. The Company is also finalizing a contract for a 2nd rig that is expected to be on location within a week to accelerate the 2008 drilling program. The Company expects that one or two of these wells will be horizontal wells and will target the granite wash reservoir, a major productive interval in the field. Planning for these vertical and horizontal wells is ongoing.

On the testing front the Company has completed a low rate fracture treatment of the fractured basement section that was found productive in the 11-6-31 well drilled earlier last year. This well had previously tested water free CO₂ with 1% helium at a constant rate of approximately 260mcfpd for 30 days. The lack of water during the initial production period had indicated that the lowest known gas (LKG) in the field could be lowered by approximately 50ft. During December, the Company perforated the upper Granite Wash interval that was behind pipe in this well to confirm that the well would produce water free gas and therefore confirm the potential increase in LKG. The natural production increase that was obtained from these perforations was nominal, however the well continued to produce water free gas. The low rate frac treatment performed on this well was designed to see if production could be enhanced without water production. The well is currently producing gas and frac fluid and is slowly cleaning up. We will bring you results of this well when available.

At our Chaveroo and Milnesand oil fields work continues to optimize production. The Company continues to work over shut-in wells, upgrade the surface facilities and prepare for the increase in water flooding as a precursor to the CO₂ pilot flood. In conjunction with the field work we have contracted with FloCO₂ Ltd. to provide liquid CO₂ and all necessary surface facilities for the pilot flood. The Company is currently sourcing compressors to re-inject any produced CO₂. All necessary permits are being prepared.

As discussed at the last teleconference call to shareholders the Company continues with the preparation of documentation for a potential Toronto Stock Exchange listing. The draft of the NI-51-101 reserve report from Sproule Engineers has been received and is currently being reviewed in house.

The Company is also pleased to report that it has engaged the services of Cawley Gillespie and Associates, a respected oil and gas engineering firm to complete a reserve study on the St. Johns gas field. As part of this process, Cobb Engineering has been retained to provide an update to the 1999 and 2005 resource studies. Data from the 2007 drilling program is being gathered and will be sent to Cobb for input into the update.

On the Corporate front the Company has been in discussions with several Investor Relations firms regarding the preparation of this year's program. An IR firm has been chosen and we expect a contract to be signed shortly and work to start in earnest later this month.

Enhanced Oil Resources Inc. is a development stage, enhanced oil recovery (EOR), company that controls approximately 235,000 acres of land within the St. Johns Helium/CO₂ field in Arizona and New Mexico where the Company is developing what is thought to be the largest undeveloped resource of helium and carbon dioxide gases in North America. Independent engineering firms have estimated that the St. Johns field contains approximately 15 trillion cubic feet of in place resources, with a potential recoverable resource of 5 trillion cubic feet. Development of the project could result in the Company becoming one of North America's largest CO₂ suppliers and EOR producers. The Company's strategic focus for CO₂ delivery and EOR production is the Permian Basin where significant potential exists for enhanced oil recovery from mature, depleted oil fields.

For further information: visit our Website at www.enhancedoilres.com, or Retail Investors please call Don Currie, on 1-888-990-3551

ON BEHALF OF THE BOARD OF DIRECTORS

Barry D Lasker, CEO

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