



**NEWS RELEASE
FOR IMMEDIATE RELEASE**

Enhanced Oil Resources Inc. Provides Joint Venture Update

HOUSTON – (CNW) – July 1st, 2009 – Enhanced Oil Resources, Inc. (TSX-V: EOR) today provides the following update on the previously announced joint venture opportunity at St Johns Helium and CO₂ Field in Arizona and New Mexico.

As previously reported the Company has engaged Tristone Capital to explore potential joint venture opportunities for the Company's interests in the St. Johns Helium and CO₂ Field in Arizona and New Mexico.

Tristone kicked off the marketing process in March 2009. At that time, the market was at a standstill with few to no deals being announced. Companies were focused on trimming capital expenditures and maintaining cash reserves while the capital markets were frozen with little to no debt or equity being raised. Most of the companies that had the greatest likelihood of being interested in EOR were large public companies that, because of the timing, and no means to access to the capital markets and raise funds, were internally reducing capital expenditures budgets, and, therefore, couldn't justify the large capital commitments that the EOR opportunity presented. Since the first quarter of 2009 the credit markets have opened up somewhat; however, debt remains relatively expensive and companies are being very selective about what projects to fund. Most E&P companies that reviewed the data view the St. Johns Field project as an attractive long-term strategic project. However, in the current environment with expensive debt and volatile commodity prices, it appears that they do not feel a competitive pressure to execute a deal at this time.

The Company continues to have discussions with Tristone and interested parties with a view to move the project forward in a timely manner. In the meantime EOR is proceeding with the project on its own and is focusing its efforts on a smaller Phase 1 Helium project that will deliver approximately 100 million cubic feet per day of CO₂ to its own oil fields in the Permian Basin for enhanced oil recovery. A detailed strategic review will be provided in the near term.

Barry Lasker, President and Chief Executive Officer of Enhanced Oil Resources said: "While we are disappointed not to have executed a deal by June 30th we remain optimistic that a deal can be struck in the longer term. In the meantime, our CO₂ pilot flood at Milnesand is nearing completion and the results to date indicate that a considerable volume of oil can be recovered from our San Andres oil fields with access to CO₂. With the reduction in risks at both St Johns and our Permian Basin oilfields we will now look to finance a project that maximizes the rate of return from our oilfields with the current recovering oil price. By reducing the scope of the project to our own tertiary recovery efforts the blended rate of return on a smaller project is significantly higher than that of the larger project and, as a result, we believe we can attract the necessary financing to proceed."

About Enhanced Oil Resources Inc.

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

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- (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

(signed)
Barry D Lasker, CEO

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