



ENHANCED OIL RESOURCES PROVIDES PRIVATE PLACEMENT UPDATE

HOUSTON, TX, July 21 /CNW/ - Enhanced Oil Resources, Inc. (TSX-V: EOR) today announced that it has closed on a second tranche of financing related to the brokered private placement announced on June 23rd, 2008. The second tranche contained 1,650,000 Units for total proceeds of \$2,052,200 (CDN) and these proceeds net of costs have been delivered to the Company.

Previously the Company had announced it engaged Union Securities Ltd. (the "Agent") as agent in connection with a private placement of up to \$7,500,000 (CDN) comprised of Units (6,048,387 Units) at \$1.24. Each Unit is comprised of 1 common share and one half of one non-transferable common share purchase warrant, each whole warrant entitling the holder to purchase an additional common share at \$1.80 per share for a period of 24 months from closing. The Company proposed to grant the Agent the Over-Allotment Option to sell up to \$2,500,000 (CDN) in additional units.

The Agent with regard to its services is entitled to receive a cash commission equal to 7% of the aggregate gross proceeds of the Units sold pursuant to the Offering and the Over-Allotment Option including in respect of any Units purchased by the Agent as principal and Agent Compensation Options equal to 7% of the aggregate number of Units sold pursuant to the Offering and the Over-Allotment Option where each Agent's Compensation Option entitles the Agent to purchase one Unit of the Company at \$1.24 per Unit for a period of 24 months from the Applicable Closing Date.

The first tranche (2,438,500 Units) of the Offering closed in Toronto on June 27, 2008. All securities issued in connection with the first tranche closing are subject to a hold period expiring October 28th, 2008.

The second tranche (1,650,000 Units) of the Offering closed in Toronto on July 16, 2008. All securities issued in connection with the first tranche closing are subject to a hold period expiring November 17th, 2008.

Proceeds from these placements, which are subject to regulatory approval, are intended to be used for the CO₂ pilot flood and work over program for the Company's recently purchased oilfield (News Release dated June 19, 2008), for continued development drilling at the St Johns Helium/CO₂ field, for additional oilfield acquisitions in targeted areas of the Permian Basin and for general working capital.

About Enhanced Oil Resources

Enhanced Oil Resources, Inc. (EOR) is an early-stage company focused on developing the St. Johns Helium/CO₂ field, and producing oil via enhanced oil recovery processes using

CO2 injection in the United States. The Company owns and operates the St. Johns Field, the largest undeveloped helium and CO2 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

THE TSX VENTURE EXCHANGE HAS NOT REVIEWED AND DOES NOT ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

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.