



**ENHANCED OIL RESOURCES INC. ANNOUNCES BOLT-ON ACQUISITION.
PROVIDES UPDATE ON MILNESAND PILOT FLOOD, CO2 CONTRACTS AND
LIQUIDITY**

HOUSTON, Oct. 17 /PRNewswire-FirstCall/ - Enhanced Oil Resources Inc. (TSX-V: EOR) announced today the Company has completed the acquisition of approximately 1900 acres of productive land adjacent to the Milnesand San Andres Unit currently 100% owned by the Company. The acquisition covers the southern limits of the Milnesand San Andres Oilfield and will be a logical later stage step-out to the Milnesand CO2 pilot flood. The Company estimates the 1900 acre addition contains approximately 24 million barrels of oil in place (OOIP), only 10% of which is estimated to have been produced to date. Enhanced Oil Resources paid US\$436,000 with a July 1, 2008 effective date.

"Enhanced Oil Resources is pleased to add the final piece of the Milnesand field to our stable of enhanced oil recovery targets at a very reasonable price," Barry Lasker, Enhanced Oil Resources President and Chief Executive Officer said. "Success at our ongoing Milnesand CO2 pilot flood should allow the Company to book additional Proved Undeveloped (PUD) reserves to our resource base. Moreover, the acquisition is accretive to current cash flow as it increases the Company's current daily production to approximately 190 barrels of oil."

The Company is completing week 7 of the Milnesand CO2 pilot flood, injecting approximately 400 mcf per day of CO2 into the target area. Early results are consistent with our modeled results.

The Company and its pipeline partner, Suncoast Energy, continue discussions with parties interested in CO2 supply from our St. Johns project. Interested parties have been directed to submit Letters of Intent (LOI) to the Company in the coming weeks. Upon closing of the LOI deadline, the Company will begin the process of securing definitive capacity contracts. While the Company cannot predict the outcome of the formal contracting process, early indications of interest are encouraging.

The Company's cash balance at September 30th is approximately \$ 15 million and should be satisfactory to complete development plans and fund firm capital expenditures over the next 12 to 18 months under current conditions. In addition, as part of the 2009 budgeting process, the Company is conducting a careful review of all overhead expenses to assure maximum operating efficiencies, focusing maximum capital on its emerging operating projects.

Lasker continued: "We are pleased with the ongoing operations at the Milnesand CO2 pilot flood. We continue to make significant progress on our goal to secure long term CO2 contracts for delivery into the Permian Basin for enhanced oil recovery projects." He concluded "With our current production covering a substantial part of our overhead, we continue to direct more capital to our development activities. Given current operating

parameters, we believe our current cash position provides enough capital to fund our ongoing development activities for the next year."

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

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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.