



Enhanced Oil Resources Inc. Announces Joint Venture with GreenFire Energy for development of a CO(2)-based Demonstration Geothermal Power Plant near St. Johns Dome

HOUSTON, Sept. 3 /CNW/ - Enhanced Oil Resources Inc. (TSX-V: EOR) today announces a joint venture agreement with GreenFire Energy (GreenFire) to evaluate the potential for CO(2)-based geothermal power production (CO(2)G(TM)) from the St Johns Dome area, located in Apache County, Arizona and Catron County, New Mexico. The agreement calls for the construction of a demonstration plant that will utilize supercritical carbon dioxide from the dome to drive a demonstration geothermal power facility to be located nearby. The demonstration project is expected to commence in 2010 with the drilling of up to four deep wells to access high heat crystalline rock underlying the dome. The construction of the demonstration plant will commence during 2011 and will initially be sized for 2 megawatts and will require up to 5 million cubic feet per day of CO(2) at a purity of 95% for a period of at least 2 years. If the demonstration project is successful, modular commercial-scale plants, each with a generating capacity of approximately 50 megawatts may be built nearby. At maximum potential build-out using natural CO(2) from the St. Johns Dome, the joint venture may have a generating capacity of 800 megawatts and may require up to 500 million cubic feet of CO(2) per day for up to 25 years.

The region in which the St. Johns Dome is located contains six major coal-fired power plants that collectively emit about 90 million tons of CO(2) per year. If a carbon tax is enacted, then the most economic way for these power plants to sequester their carbon may be through CO(2)-based geothermal energy production at the dome. As the CO(2) is cycled through the rock, a portion of it is sequestered into the surrounding geologic materials. The power generated by the geothermal plant can then drive the carbon capture technology, which is energy intensive, at the coal-fired power plants. Potentially, over 3,000 megawatts may be generated at the dome using anthropogenic CO(2).

The St. Johns Dome area is considered to be in an optimal location at which to develop CO(2)-based geothermal energy. This is due to its combination of a large volume of low cost natural CO(2), the likely presence of a thermal reservoir underlying the region and a local connection into the power grid. As power plants around the world begin implementing carbon capture and sequestration, many additional sites for CO(2)-based geothermal energy projects may become available.

The joint venture intends to apply for funding from the Department of Energy through the federal stimulus plan. In 2009, the DOE allocated \$350MM for geothermal energy projects. It has, however, allocated more than \$3B for carbon capture and sequestration projects. Similar federal funding opportunities will likely exist in 2010 and beyond, with considerably more in

the proposed climate bill. The joint venture considers the St Johns project to be eligible for funding through carbon capture and sequestration programs.

The agreement between EOR Inc and GreenFire provides each party an option to participate for a 50% interest in the demonstration plant and any future commercial plant. GreenFire will act as the Operator of the geothermal project and EOR will act as Operator of the St. Johns field development.

Mr. Barry Lasker reports, "The agreement with GreenFire opens up an additional exciting opportunity for the Company to monetize the resource at the St. Johns dome. Our business plan to bring CO(2) to the Permian Basin remains firmly in place; however, in today's carbon constrained world the potential to extract our Helium resource, sequester our CO(2) and generate renewable energy for the Country all within the confines of the St. Johns area represents an intriguing opportunity for the Company. We are excited to work with the team at GreenFire and we will provide additional details when they come to hand."

CO(2)-based Geothermal Energy (CO(2)G(TM))

CO(2)-based geothermal energy systems have a wide range of potential benefits, including:

- The lowest combined capital and operational costs of any scalable power generation system
- Virtually no air emissions
- Generates renewable energy
- Sequesters carbon

About GreenFire Partners LLC.

GreenFire Partners, LLC is a Delaware-based company doing business as GreenFire Energy. The Company, currently headquartered in Salt Lake City, UT, focuses on economic solutions to creating renewable energy. For more information, please contact Mr. Randy Balik, VP of Business Development for GreenFire Energy at (310) 341-5004 or at randy.balik@greenfireenergy.com.

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

(signed)

Barry D Lasker, CEO

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