



## ENHANCED OIL RESOURCES REPORTS 2007 RESULTS

HOUSTON, May 12 /CNW/ - Enhanced Oil Resources, Inc. (TSX-V: EOR) today announced its audited financial results for the fiscal year ending December 31, 2007.

In 2007, the Company generated revenue, other than interest income, for the first time in its history. Oil and gas sales of \$1.2 million represented a partial year of production from two acquired fields (Chaveroo and Milnesand) in 2007. This represented sales of 17,085 net barrels of oil equivalent ("boe") in 2007, with current daily production of approximately 130 gross boe in 2008 from approximately 40 wells. The Company's average price received for sales of oil and gas in 2007 was \$70.54 per boe. The Company incurred a net loss of \$10.0 million, or \$0.13 per diluted share, for 2007 compared to a net loss of \$2.8 million, or \$0.06 per diluted share, during the same period in 2006. Increases in lease operating costs (by \$1.7 million), increased personnel costs (by \$0.8 million), stock based compensation cost increases (by \$5.1 million) and accretion of the initial asset retirement obligation associated with newly acquired properties (of \$0.2 million) were the principal factors related to the increased loss. Offsetting these increases was lower interest and other expense (by \$0.6 million) and debt settlement costs (by \$0.4 million) related to the payoff of \$3.2 million of notes payable in early 2007.

Resource property expenditures were \$27.9 million in 2007 compared to \$0.5 million in the prior period, of which \$22.2 million were attributable to the St. Johns Helium/CO(2) Project and \$5.7 million were attributable to the Company's oil fields. The increase in the aforementioned lease operating expenses delivered negative operating netbacks in 2007.

Gross general and administrative expenses increased \$1.8 million, or 105%, during 2007. Approximately \$0.8 million of the increase in gross general and administrative expenses is related to increases in compensation and personnel related costs, due primarily to the increase in the number of employees and salary increases, which we consider necessary in order to remain competitive in our industry. During 2007, we increased our employee count from 5 to 18 employees. The increase in stock based compensation is indicative of the significant cost required to attract personnel to a new endeavor in the competitive labor market that currently exists in the US oil and gas industry.

Barry Lasker, Enhanced Oil Resources CEO said: "There has been a great many milestones achieved by EOR in the past 18 months. We established a new base of operations from the acquisition of producing oil fields, began our drilling and evaluation work on the St. John's field, hired several key people and successfully raised \$59.2 million, after offering costs, from U.S., Canadian and European investors. The Company is well placed now to continue executing the business plan that was approved by its

Board of Directors last year. We thank all our shareholders for their patience during the year and we look forward to bringing you further news as results are achieved."

### **About Enhanced Oil Resources**

Enhanced Oil Resources, Inc. (EOR) is an early-stage company focused on developing the St. Johns Helium/CO(2) field and producing oil via enhanced oil recovery processes using CO(2) injection in the United States. The Company owns and operates the St. Johns Field, the largest undeveloped CO(2) and helium 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](http://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](http://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.