

Enhanced Oil Resources Inc. provides drilling update. Tests over 3 mmcfpd from Granite Wash zone

Listed: TSX Venture Exchange (Symbol: EOR)

HOUSTON, Feb. 26 /CNW/ - Enhanced Oil Resources Inc. (the "Company") is pleased to provide the following drilling update to shareholders.

Further to our last report to shareholders earlier this month the Company now has three drilling rigs and one completion rig operating at the Company's St Johns Helium and CO(2) Field located in Apache County, Arizona and Catron County, New Mexico.

As previously reported the Company had been drilling the 10-2-30 well approximately 3 miles to the south west of the 11-29-31 well to evaluate the potential of the Amos Wash and Granite Wash intervals found productive elsewhere in the field. The 10-2-30 well has now been drilled to a total depth of 2,650 ft and has encountered both the Amos Wash and the deeper Granite Wash pay zones as expected. Analysis of wire line logs run over the Amos Wash zone indicates approximately 120 ft of potential gas pay. Casing was then set at a depth of 2,450 ft and the well was deepened to evaluate the Granite Wash and fractured basement reservoirs seen elsewhere. The Granite Wash/fractured basement zone has now been tested over a period of 6 days and during this test period the well averaged a consistent 3.1 million cubic feet per day of dry CO(2) gas, with no water and a flowing tubing pressure that was consistently above 390 psi. The production from this test period was restricted by the size of the test unit. A larger test unit is now in place and flow testing will now continue to determine if the well can be produced at a higher rate. The flow rate achieved on this test is the highest encountered in the field to date and confirms that air drilling this pay zone offers substantial improvements over traditional fluid drilling. The larger hole size design of this well appears to be of considerable benefit in producing the Granite Wash at higher levels than has been achieved in the past. The 10-2-30 well is located approximately 5 miles north of the productive 10-22-30 well that had previously produced gas at rates of 1 million to 1.7 million cubic feet per day for a period of 12 months before that well was shut in.

Following the drilling and casing of the 10-2-30 well the Forster rig was then moved 50ft to drill the Amos Wash twin well (10-2-30 No. 2) to test the potential pay seen in the original well. That well has now commenced.

As also reported in our last update the Animas Rig 504 was moving to drill the 12-34-29 well to evaluate the Amos Wash and Granite Wash intervals in the northwest end of the field. The well was drilled to a depth of 1,120ft and encountered a high pressure gas zone above the regional seal that required the well to be re-drilled. The rig has now set casing at a depth of 965 ft and

is currently drilling ahead at a depth of 1,015 ft to evaluate this high pressure gas zone previously intersected in the original well before drilling on to evaluate the Amos Wash and Granite Wash intervals. The significance of this new potential pay zone is uncertain at this stage.

As previously mentioned the Company had been looking for a third drilling rig to accelerate the drilling campaign. The Company is pleased to report that a Patterson Drilling rig is now on location and has recently began drilling the 12-31-30 well located approximately 3 miles to the east of the 12-34-29 well. The well will be drilled to evaluate both the Amos Wash and Granite Wash zones.

Enhanced Oil Resources Inc. is a development stage, enhanced oil recovery (EOR), company that controls approximately 235,000 acres of land within the St Johns Helium/CO(2) field in Arizona and New Mexico where the Company is developing what is thought to be the largest undeveloped resource of helium and carbon dioxide gases in North America. Independent engineering firms have estimated that the St Johns field contains approximately 15 trillion cubic feet of in place resources, with a potential recoverable resource of 5 trillion cubic feet. Development of the project could result in the Company becoming one of North America's largest CO(2) suppliers and EOR producers. The Company's strategic focus for CO(2) delivery and EOR production is the Permian Basin where significant potential exists for enhanced oil recovery from mature, depleted oil fields.

ON BEHALF OF THE BOARD OF DIRECTORS

(signed)
Barry D Lasker, CEO

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

%SEDAR: 00004538E

For further information: visit our Website at www.enhancedoilres.com, or Retail Investors please call Don Currie on 1-888-990-3551