

EOR Inc. Provides Shareholder Update

Houston, August 15, 2007. Enhanced Oil Resources (the “Company”) is pleased to provide the following update to shareholders:

In the 2 brief months since the last update, Management of the Company has once again made progress on several fronts key to increasing market and shareholder value.

In the previous Shareholder update of June 6th, 2007, the Company discussed various key objectives for the second half of 2007. They included, among other things, the completion of a major financing, the hiring of key personnel such as production engineers, drilling engineers and CO₂ flood experts required for the design and initiation of our proposed pilot projects, completing further oil field acquisitions, further drilling and testing at our St Johns Helium/CO₂ source field and potential agreements for pipelines, 3rd party gas contracts and agreements on the construction of a helium separation plant.

Our progress in all areas is as follows:

1. The main objective during the period has been to raise sufficient funds to provide the Company with the financial strength to complete the majority of the objectives listed above. To that end, we were successful in raising approximately CDN \$34 million before costs. The funding was done by way of both a non-brokered placement of just under \$9 million and a brokered placement through Union Securities Ltd. of \$25 million. The Company was extremely well received by both the retail and institutional communities, both in North America and London with the result having the placements heavily oversubscribed. The Company is now cashed up to complete its key objectives for the foreseeable future, and together with the outstanding warrants we will remain in a strong financial position from which to negotiate potential transactions that may come our way. Should we desire project financing in the future we are now in a position where we can pursue favorable terms that would be in the best interest of our shareholders.
2. In the June report the Company mentioned the binding letter of intent for our second oil field acquisition. That acquisition has now been completed and announced. The Company’s independent engineering firm has estimated that an additional 18 million barrels of oil could be recovered from this field through the injection of approximately 40 mmcfpd of CO₂. The field is currently producing approximately 75 barrels per day and if a successful CO₂ flood is implemented could produce up to 5,000 barrels of oil per day. The Company continues to identify and pursue additional fields. Our objective is to purchase a resource of over 100 million barrels of potentially recoverable EOR oil by the end of the calendar year. In each case these reserves are categorized as contingent resources under NI51-101. Under NI51-101 Contingent Resources are those quantities of oil and gas estimated on a given date to be potentially recoverable from known accumulations but are currently not economic.

3. Well completions, testing and drilling has restarted at the St Johns field. The Company is working on releasing the results of the 6 wells not announced in the earlier 12 well program.
4. Management continues to identify and interview key personnel such as operations engineers and CO2 flood experts. We expect to announce a key addition to our team within the next week.
5. Discussions on 3rd party gas contracts have been initiated with numerous parties showing interest in obtaining our CO₂. The Company is mindful that long term take-or-pay gas contracts are key to having a pipeline company agree to finance and build the pipeline. We anticipate having 3rd party gas contracts in place in the 4th quarter of this year.
6. With the hiring of key people, the company will move forward with the planning and commencement of pilot project floods on our two oil fields. Data from our two fields is being collected and project design will start soon thereafter. Actual floods are expected to start within the next few months. The objective of any pilot flood is to identify a field respond to CO2 injection. Our two fields have the same geology as the majority of other successful floods in the Permian basin and as a result we are confident that positive results will be achieved. Each pilot flood is expected to last between 3 and 12 months.
For future reference, it is important to understand the value of a successful flood. EOR has purchased millions of barrels of contingent resources for pennies on the dollar. The most efficient way to recover the remaining oil is through the use of CO₂ and that is where we have our significant industry advantage. Once a successful pilot flood is achieved we believe we will be in a position whereby we can move our contingent resources into a proven undeveloped category and at the same time increase the value of the purchased fields. By successfully executing our plan, the value of the company's assets should grow substantially. Revenues from production will be a major factor in our near term and long term success.
7. Discussions with parties for the construction and operation of a helium plant have also started. This will take some time and will hopefully these discussions will be completed within the next few months.
8. We are continuing the development of our new website and we expect to have this up and running shortly.

As management moves forward with a number of initiatives, we believe the progress being made is substantial. The completion of the recent placements has put the company in a position where we can move forward in all areas. As mentioned in earlier reports, this project has an extremely expensive cost basis. Various methods of financing are being considered and further financing will be pursued to ensure we continue to meet our objectives. Many of the going forward costs will be done by way of third party ventures but field development and oil field acquisition will be left to us. We will pursue future financings with the idea of keeping dilution to a minimum.

We continue to move forward on many of our key objectives and we expect to provide additional news on many items in the near term.

As always, we thank you for your patience, loyalty and your continued support as we move forward.

Enhanced Oil Resources Inc. is a development stage, enhanced oil recovery (EOR), company that controls approximately 200,000 acres of land within the St Johns Helium/CO2 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 CO2 suppliers and EOR producers. The Company's strategic focus for CO2 delivery and EOR production is the Permian Basin where significant potential exists for enhanced oil recovery from mature, depleted oil fields.

For more information please call Don Currie on 1-888-990-3551

ON BEHALF OF THE BOARD OF DIRECTORS

A handwritten signature in black ink, appearing to read "Barry Lasker", with a horizontal line underneath it.

Barry D Lasker, CEO

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