

EAGLE ROCK ANNOUNCES

SECOND QUARTER RESULTS AND OPERATIONAL UPDATE

(Calgary, Alberta) August 29, 2007 – Eagle Rock Exploration Ltd. (“ERX” or the “Company”) (TSXV:ERX) is pleased to announce it has filed on SEDAR its unaudited financial statements for the second quarter ended June 30, 2007. The Company also filed its initial Annual Information Form.

Selected Quarterly Information

The following table provides a summary of key financial results.

	Q2	Q1	Q4	Q3	Q2	Q1
	2007	2007	2006	2006	2006	2006
\$000's except production and per share amounts	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
Average daily production – boed	549	563	464	202	225	82
Petroleum and natural gas revenue	2,887	2,652	2,127	1,086	1,249	340
Total revenues net of royalties	2,421	2,232	1,905	832	892	294
Cash flow from operations (note 1)	1,174	808	540	345	515	(1)
Loss for the period	(412)	(785)	(626)	(63)	(46)	(211)
Basic and diluted loss per share	(0.010)	(0.020)	(0.020)	(0.010)	(0.002)	(0.015)
Capital expenditures, net	4,193	2,308	7,904	1,924	1,993	1,068
Total assets	31,966	28,952	29,929	29,230	4,636	6,802
Working capital surplus (deficiency)	(9,222)	(6,203)	(4,710)	2,650	7,042	1,282
Shareholders' equity	19,094	19,394	21,949	22,654	12,109	5,211
Common shares outstanding – basic	39,662	39,662	39,636	38,686	26,021	20,501
Common shares outstanding – 100% dilution	43,339	43,059	43,057	41,801	28,131	22,356
Weighted average common shares outstanding	39,662	39,662	39,285	28,086	21,415	13,910

Note 1: Cash flow from operations excludes the changes in non cash working capital.

2nd Quarter Highlights

Cash flow from operations increased from \$808,000 in Q1 2007 to \$1,174,000, a 45% increase in Q2 2007. Revenues increased from \$2,652,000 in Q1 2007 to \$2,887,000 in Q2 2007, a 9% increase which is the result of higher oil prices.

Compared to Q2 2006, cash flow from operations increased from \$515,000 to \$1,174,000 in Q2 2007, a 127% increase. Revenues also showed a big improvement increasing from \$1,249,000 in Q2 2006 to \$2,887,000 in Q2 2007, a 131% increase.

Average daily production of 225 BOE's/d in Q2 2006 increased to 549 BOE's/d in Q2 2007, a 144% increase year over year.

In June 2006 the Company issued common shares for net proceeds of \$7.2 million resulting in a working capital position at June 30, 2006 of \$7 million compared to a working capital deficiency of \$9.2 million at June 30, 2007. The 2006 funds were utilized to build the Red Coulee infrastructure (battery, gathering system, water disposal wells) and to drill the Antelope Lake development wells in 2006. Subsequent to these capital investments, ERX has utilized its cash flow and credit facilities to finance capital expenditures. Future capital expenditures will be limited to funds available from operations, the remaining credit facility and proceeds from equity issues should the Company choose that option

Coutts/Red Coulee, Alberta

Second quarter drilling results moved the Company's Rundle oil play in Southern Alberta from a pilot project into the development phase. In June, four wells were drilled with a 100% success ratio resulting in three oil wells and one Bow Island gas well. ERX holds a 100% working interest (WI) in these properties.

Antelope Lake, SW Saskatchewan

During Q2 of 2007, ERX participated in the successful drilling of two gross oil wells (0.82 net). Total gross production from the Antelope Lake field during the quarter stood at approximately 900 bbls/d (300 net).

Operational Update

In August the Company continued with follow up drilling at Coutts/Red Coulee (02-1-9, T1 R17 W4). This well has been completed and is currently producing approximately 60 bbls/d.

Over-all current production is approximately 650 bbls/d.

During the remainder of 2007, the Company plans to drill an additional three to four development wells as part of its development program at its Coutts/Red Coulee and SW Saskatchewan properties.

The Company also announces that Mr. Jean-Guy Lambert resigned from the Board of Directors for personal reasons.

Eagle Rock Exploration Ltd. is a publicly traded energy company involved in the exploration and development of low to medium risk oil and gas properties in Western Canada.

Eagle Rock Exploration Ltd. Trades on the TSX Venture Exchange under the symbol ERX.

For more information please visit us at www.eaglerockexploration.com

Forward-looking Information

This press release includes forward-looking statements and assumptions respecting ERX's strategies, future operations, expected financial results, financial sources, commodity prices, costs of production and quantum of oil and natural gas reserves and discusses certain issues, risks and uncertainties that can be expected to impact on any of such matters. By their nature, forward-looking statements are subject to numerous risks and uncertainties that can significantly affect future results. Actual future results may differ materially from those assumed or described in such forward-looking statements as a result of the impact of issues, risks and uncertainties whether described herein or not, which ERX may not be able to control. The reader is therefore cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements contained in this news release are made as of the date hereof and ERX undertakes no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. The forward-looking statements contained in this news release are expressly qualified by this cautionary statement. In addition, the term BOE or BOE's may be misleading, particularly if used in isolation. A BOE (barrel of oil equivalent) conversion ratio of 6 Mcf per one (1) BOE is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

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