

## Eagle Rock reports 2007 financial results and operational update

April 10, 2008 - Eagle Rock Exploration ("Eagle Rock" or "the Corporation") (TSXV:ERX) is pleased to present its audited financial and operating results for 2007.

Throughout 2007, ERX made solid progress executing its business plan.

Eagle Rock achieved the following milestones in 2007:

- Produced a total of 199,281 bbls of oil in 2007, a 123% increase over 2006 which had total production of 89,185 bbls.
- Increased average daily production to 546 boe/d, up from 244 boe/d in 2006.
- Acquired Dragonheart Resources Ltd. in December 2007, a private oil and gas company with properties at Enchant and Whitecourt in Alberta.
- Raised \$4.1 million of equity on a flow-through basis in Q4 2007.
- Generated gross revenue for the year ended December 31, 2007 of \$11.9 million, a 148% increase over 2006 gross revenues of \$4.8 million.
- Generated cash from operating activities of \$5.2 million, (\$0.13 per share) 3.7 times more than 2006 cash flow of \$1.4 million (\$0.06 per share).

### Q4 2007 Results

- Operating netbacks of \$40.10 per bbl were substantially higher in Q4 2007 than Q4 2006 at \$26.47 as a result of higher oil prices and lower operating costs.
- Average daily production was essentially unchanged from Q4 2007 to Q4 2006
- Q4 2007 production was lower than expected due to temporary operating problems at the Corporation's facility which caused shipments to be curtailed, along with delays in bringing wells drilled in November o production.

Financial Operational highlights for the year are summarized in the following table.

	3 months ending		12 months ended	
	December 31		December 31	
\$000's except production and per share amounts	2007	2006	2007	2006
Average daily production - boe/d	489	464	546	244
Petroleum and Natural Gas Revenue	2,942	2,127	11,936	4,801
Operating netback	1,802	1,131	7,070	2,377
Operating netback per bbl	40.10	26.47	35.48	26.65
Cash flow from operating activities	1,797	1,567	5,265	1,420
Net loss	(174)	(626)	(1,587)	(946)
Loss per basic and diluted share	(0.00)	(0.02)	(0.04)	(0.04)
Capital expenditures	4,299	7,904	13,113	12,889
Total assets	38,211	29,929	38,211	29,929
Net debt	(9,970)	(4,710)	(9,970)	(4,710)
Shareholder's equity	24,415	21,949	24,415	21,949
Common shares outstanding – basic	54,001	39,636	54,001	39,636
Common shares outstanding- 100% dilution	58,448	43,057	58,448	43,057
Weighted average common shares outstanding	48,530	39,285	41,897	25,750

Non-cash expenses for 2007 included \$7.1 million for depletion, depreciation, and accretion and \$0.2 million for stock-based compensation expense. The loss for the year 2007 was \$1.6 million.

Current bank credit limits and cash flow from operations in 2008 are adequate to fund the 2008 capital expenditure program which is expected to be in the range of \$8 to \$9 million.

### **2007 Activities**

Capital expenditures for 2007 of \$13.1 million included the drilling of 14 (12.84 net) oil wells in 2007. At December 31, 2007 the results were as follows:

- 8 (6.84 net) producing oil wells (4 of which were new pool discoveries),
- 1 (1 net) gas well for which all production is being used as fuel gas,
- 3 (3 net) oil wells waiting on completion or tie in and
- 2 (2 net) dry holes.

Properties at Enchant and Whitecourt, Alberta were added by way of the acquisition of Dragonheart Resources Ltd. in December 2007 bringing total net undeveloped acreage to just over 35,000 acres.

ERX has filed with Canadian securities regulatory authorities its December 31, 2007 year end audited financial statements, management's discussion and analysis and annual information form ("AIF"). The AIF contains the statement and reports relating to reserves data and other oil and gas information required pursuant to National Instrument 51-101 of the Canadian Securities Administrators ("NI 51-101"). With this news release, Eagle Rock is reporting these filings as required by NI 51-101. These documents are available at [www.sedar.com](http://www.sedar.com) or the ERX website [www.eaglerockexploration.com](http://www.eaglerockexploration.com).

### **About Eagle Rock**

Eagle Rock 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's common shares trade on the TSX Venture Exchange under the symbol "ERX".

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

### **Forward-looking Information**

This press release includes forward-looking statements and assumptions respecting Eagle Rock'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 Eagle Rock 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 Eagle Rock 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.

For further information: please visit the Company's website at [www.eaglerockexploration.com](http://www.eaglerockexploration.com) or contact: Jim Silye, President and Chief Executive Officer, Tel: (403) 269-4040, Fax: (403) 261-1978, E-mail: [jimsilye@eagler.ca](mailto:jimsilye@eagler.ca)