



TSXV: ERX

Eagle Rock Reports Second Quarter 2008 Results

CALGARY, August 15 - Eagle Rock Exploration ("Eagle Rock" or "the Corporation") (TSXV: ERX) has filed its Unaudited Financial Statements and Management's Discussion and Analysis ("MD&A") for the second quarter ended June 30, 2008 on SEDAR. The documents can be accessed through SEDAR's website at www.sedar.com, or on Eagle Rock's site at www.eaglerockexploration.com.

Selected Quarterly Information

The following table provides a summary of key financial results.

	Three months ended June 30 2008	Three months ended June 30 2007	Six months ended June 30 2008	Six months ended June 30 2007
\$000's except production and per share amounts	\$ 000's	\$ 000's	\$ 000's	\$ 000's
Average daily production - boeod Petroleum and natural gas revenue before hedging losses	403 3,929	549 2,887	444 7,456	556 5,539
Cash flow from operating activities (includes working capital change)	2,295	1,229	3,467	2,043
Funds flow from operations	2,060	1,174	3,736	1,982
Income (loss) for the period	(613)	(412)	(488)	(1,197)
Basic and diluted income (loss) per share	(0.01)	(0.01)	(0.01)	(0.03)
Capital expenditures-excluding share based acquisitions	4,560	4,193	6,929	6,501
Total assets	35,432	31,966	35,432	6,501
Net (debt) cash	(7,290)	(9,222)	(7,290)	(9,222)
Common shares outstanding - basic	54,001	39,662	54,001	39,662
Common shares outstanding - fully diluted	59,678	43,339	59,041	43,199
Weighted average common shares outstanding	54,001	39,662	54,001	39,662
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Average daily production decreased due to the sale of Eagle Rock's non-operated Antelope Lake property effective April 1, 2008 for \$6.9 million dollars. These funds are being directed to development and production in Eagle Rock's operated areas. Eagle Rock's production remains heavily weighted to oil, comprising 95% of production in Q2 2008 from oil. Current production is in excess of 500 bbls/d and Eagle Rock has recently completed and is currently testing three wells in Saskatchewan and two wells in Alberta which are awaiting pipeline connection.

Funds flow from operations increased by 75 percent to \$2,060,000 (\$0.04 per basic share) in Q2 2008 from \$1,174,000 (\$0.03 per basic share) in the same period of 2007. A combination of higher commodity prices and improved operational efficiency contributed to this increase. The operating netback for Q2 2008 more

than doubled from Q2 2007 to \$80.00 per barrel or \$73.00 per barrel after deducting the actual loss incurred on the calendar 2008 hedging collar; \$73.00 per barrel represents a 135 percent increase from the Q2 2007.

The net loss for Q2 2008 before income tax recovery was \$796,463 which includes the unrealized mark to market loss on hedging contracts of \$1,361,800. Without the hedging loss ERX would have earned profit before income taxes of \$565,337.

Bank lines of credit have recently been increased to \$12.5 million in light of higher production and increased cash flows. Eagle Rock's risk management activities including a contract for a calendar 2009 collar for 100 bbls/d with a floor of US \$100/bbl and a ceiling for US \$200/bbl also assisted in obtaining higher credit limits.

The capital budget for 2008 has been increased in light of recent operational successes and strengthening cash flows. CAPEX for 2008 will be in the range of \$15 to \$18 million from the previously announced range of \$9 to \$12 million. Of this new budget \$8 to \$11 million will be spent in the second half of the year and will be financed from cash flow and existing bank lines of credit. Eagle Rock's cash flows for 2008 are benefiting from high benchmark oil prices, low differentials on medium gravity oil and improving operating efficiency as production increases.

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.

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