



## **KROES ENERGY INC. ANNOUNCES SIGNING OF DEFINITIVE AGREEMENT**

Calgary, May 2, 2008 – Further to earlier press releases of Kroes Energy Inc. (“Kroes”) (TSX Venture: KRS) issued on February 8 and March 11, 2008, Kroes is pleased to announce that a definitive formal agreement dated April 28, 2008 has been signed with Vecta Energy Corporation (“Vecta”) that outlines all of the terms related to the business combination of Kroes and Vecta. A copy of this agreement has been filed by Kroes on SEDAR. As earlier announced, the business combination will be achieved by a take-over bid being made by Kroes for all of the issued and outstanding shares of Vecta and for the outstanding debenture of Vecta in the principal amount of \$850,000. A take-over bid offer and circular (the "Offer") is contemplated to be mailed to the shareholders and to the debentureholder by the end of May. At that time, Kroes will also mail a director's circular, which will contain prospectus-level disclosure of Vecta. The board of directors of Vecta recommends that the shareholders and debentureholder accept the Offer. As the Offer must remain open for acceptance for a period of 35 days from its time of mailing, it is expected that, subject to satisfaction of the conditions contained in the Offer, including receipt of applicable regulatory approvals, closing of the business combination will occur late in June or early July, 2008.

Vecta has had prepared audited financial statements for the years ended December 31, 2007 and 2006 and for the period ended December 31, 2005. The Offer will contain prospectus-level disclosure on the resulting issuer assuming completion of the offer, including pro forma statements showing the effect of the merger of Kroes and Vecta as at December 31, 2007. Annual audited, comparative financial statements of Kroes for the year ended December 31, 2007, together with the 2007 Annual Information Form of Kroes and its independent engineering report, have been filed on SEDAR.

Certain select audited financial information of Vecta is as follows:

	<u>Dec 31, 2007</u> ((\$000)	<u>Dec 31, 2006</u> ((\$000)	<u>Dec 31, 2005*</u> ((\$000)
<b>BALANCE SHEET:</b>			
- Working Capital	(846.8)	179.2	6,506.7

- Total Assets	1,587.8	2,958.7	9,015.8
- SH Equity	620.9	1,879.3	8,360.3

INCOME STATEMENT:

- Sales Revenue, Interest and Other Income	10.0	127.3	26.0
- Total Expenses	1,447.7	7,532.4	246.7
- Provision for Future Income Taxes	-	(1,001.5)	107.9
- Loss for Period	(1,437.7)	(6,403.6)	(328.6)

\* For the two month period ended December 31, 2005.

For further detailed information on Vecta's financial statements and the notes related thereto, please refer to Kroes' website at [www.kroesenergy.com](http://www.kroesenergy.com) where the financial statements for the above periods have been posted.

In negotiating the business combination, the boards of directors of each of Kroes and Vecta have acknowledged equal value for the two companies. The combination of Kroes' existing cash flow and infill development opportunities, combined with the considerable exploration potential in Vecta, will result in a strengthened corporation going forward. Also, the resulting corporation will be supported by Vecta's close relationship with a US exploration group associated with Vecta's largest stakeholder.

With respect to operating items, the prospective natural gas well in which Vecta recently participated in the Brewster area at 15-11-43W5 will be completed and tested immediately following the lifting of Spring road bans. The well logs have indicated two zones of interest, one with 3 meters of pay and one with 7 meters of pay. Vecta's interest in the well is 13.125% and it holds the same interest in three offsetting sections. Vecta also has a 47.5% interest in a shut in well at 12-15-42-13W5 that is awaiting completion and testing.

Kroes continues with its shallow gas program in central Alberta and production for the first three months of 2008 averaged 91 barrels of oil equivalent per day. This compares with first quarter production in 2007 of 37 boe/d. Kroes expects to participate in three wells in the second quarter and a further five wells in the last half of the year.

*BOE's may be misleading, particularly if used in isolation. A BOE conversion ratio of 6MCF:1Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.*

FORWARD-LOOKING STATEMENTS

*This disclosure contains certain forward-looking estimates that involve substantial known and unknown risks and uncertainties, certain of which are beyond Kroes' control, including: the impact of general economic conditions in the areas in which Kroes operates, industry conditions, changes in laws and regulations including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced, increased competition, the lack of availability of qualified personnel or management, fluctuations in commodity prices, foreign exchange or*

*interest rates, stock market volatility and obtaining required approvals of regulatory authorities. In addition, there are risks and uncertainties associated with oil and gas operations; therefore, Kroes' actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking estimates and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking estimates will transpire or occur, or if any of them do so, what benefits, including the amounts of proceeds, that Kroes will derive from that.*

***FOR FURTHER INFORMATION PLEASE CONTACT:***

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