



KROES ENERGY INC. ANNOUNCES TAKE UP OF VECTA SHARES AND RESTRUCTURING

July 30, 2008, Calgary, Alberta - Kroes Energy Inc. (“Kroes” or the “Corporation”) (KRS – TSX-V) has announced that it has taken up and paid for all shares of Vecta Energy Corporation (“Vecta”), as well as the Vecta Debenture, tendered to the take-over bid by Kroes dated May 29, 2008. Kroes has issued 29,936,439 shares, 5,147,881 Kroes Class 1 Performance Warrants and 5,312,500 Kroes Class 2 Performance Warrants in payment for approximately 97% of Vecta’s issued and outstanding shares and the Vecta Debenture. The balance of the Vecta shares will be compulsorily acquired under the provisions of the Alberta *Business Corporations Act*.

As per its agreement with Vecta, the Kroes Board of Directors and management team has been restructured effective immediately. The Board accepted resignations from Directors David Powell, James Werbicki and Edward Southern. Fred Callaway also tendered his resignation as President and CEO of Kroes and Edward Southern resigned from his position as Executive Vice-President. The Corporation wishes to thank these individuals for their significant contributions to the Corporation over the past several years.

Thomas Coffman, Allen Gilmer, Charles Selby and Kenneth West have been appointed to the Kroes Board of Directors. Thomas Coffman holds a B.B.A. in accounting and is Chairman and CEO of Vecta. Mr. Coffman has more than 35 years of experience with independent oil and gas producers in Texas, including growing a company from start-up to production of over 10,000 BOE/D. Allen Gilmer is the co-founder, Chairman of the Board and Chief Executive Officer of Drilling Info, Inc. of Austin, Texas, a privately held oil and gas upstream intermediary and oil and gas trade and investment enabler, from 1999 to present. Mr. Gilmer was a director of Vecta from 2005 to the present. Charles Selby, B.Sc.(Hons), P.Eng, LL.B., presently holds the position of Director and Chief Financial Officer of Vecta in addition to acting as Vice-President and Corporate Secretary of Pengrowth Energy Trust. Mr. Selby worked as a petroleum engineer in the energy sector prior to practicing law, and has extensive experience in securities, oil and gas and international financial transactions. Kenneth West has been retired since December 2005 and prior thereto was Vice President Exploration of Crestar Energy Inc., a publicly traded oil and gas exploration and development company. Mr. West was a director of Vecta from 2005 to the present. Fred Callaway, C. James Cummings, Stewart Gossen and Darrell Zakreski continue as Directors of Kroes.

The Board of Directors has appointed the following management team:

Executive Chairman	–	Fred Callaway
President and CEO	–	Thomas Coffman
V.P. Finance and CFO	–	Stewart Gossen
V.P. Business Development	–	Charles Selby

Further management appointments are expected in the near future.

Tom Coffman, President of Kroes, stated that “The business combination of Kroes and Vecta has resulted in a much stronger and more exciting company. Recent drilling success in both our shallow gas and Deep Basin programs has increased production to about 160 BOE per day. Given our inventory of new prospects, we expect to be able to rapidly increase our production base over the next several months”.

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 the Company 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 THE COMPANY:

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To receive company news releases via e-mail, please advise admin@kroesenergy.com and specify “Kroes Press Releases” in the subject line.

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