



PRESS RELEASE

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VERAZ PETROLEUM LTD. ANNOUNCES \$13.1 MILLION BOUGHT DEAL UNIT FINANCING

Calgary, Canada – November 8, 2010 – Veraz Petroleum Ltd. (“**Veraz**” or the “**Company**”) (TSX-V:VRZ) is pleased to announce that it has entered into an agreement with a syndicate of underwriters led by FirstEnergy Capital Corp. and including Haywood Securities Inc. and GMP Securities L.P. (collectively, the “**Underwriters**”) pursuant to which the Underwriters have agreed to purchase for resale to the public, on a bought deal basis, 18,000,000 units (the “**Units**”) at a price of \$0.73 per Unit (the “**Issue Price**”) for gross proceeds of \$13,140,000 (the “**Offering**”). Each Unit consists of one common share and one-half of one common share purchase warrant of the Company. Each full warrant shall be exercisable into one Veraz common share upon payment by the holder to Veraz of \$1.10. The warrants will have a term of 18 months from the closing date of the Offering; provided that Veraz may accelerate the expiry date in the event that the Company’s common shares trade at a volume weighted average trading price of not less than \$1.65 per share for a period of 20 consecutive trading days.

The Offering is subject to certain conditions and normal regulatory approvals (including the approval of the TSX Venture Exchange). The Units will be offered in each of the provinces of Canada, other than Québec, by way of a short form prospectus and on a private placement basis elsewhere. Closing is anticipated to occur on or about November 30, 2010.

The net proceeds of the Offering will be used to fund Veraz’s ongoing exploration activities in Peru and for general corporate purposes.

The securities offered have not been, and will not be, registered under the *United States Securities Act of 1933*, as amended (the “**U.S. Securities Act**”) or any U.S. state securities laws and may not be offered or sold in the United States or to United States persons absent registration or any applicable exemption from the registration requirement of the U.S. Securities Act and applicable U.S. state securities laws. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

A copy of Veraz’s preliminary short form prospectus, audited annual financial statements, management’s discussion and analysis, and AIF are or will be available on the SEDAR website at www.sedar.com.

Veraz Petroleum Ltd. is a junior South American focused oil and gas exploration company based in Calgary, Alberta.

Forward-Looking Statements. Certain information provided in this press release constitute forward-looking statements. The words “*anticipate*”, “*expect*”, “*project*”, “*estimate*”, “*forecast*”, “*plan*” and similar expressions are intended to identify such forward-looking statements. Specifically, this press release contains forward-looking statements relating to the anticipated closing date of the Offering and the anticipated use of the net proceeds. Although Veraz believes that the expectations reflected in these forward-looking statements are reasonable, undue reliance should not be placed on them as Veraz can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. The closing of the Offering could be delayed if Veraz is not able to obtain the necessary regulatory and stock exchange approvals on the timelines it has planned. The Offering will not be completed at all if these approvals are not obtained or some other condition to the closing is not satisfied. Accordingly, there is a risk that the Offering will

not be completed within the anticipated time or at all. The intended use of the net proceeds of the Offering by Veraz might change if the board of directors of Veraz determines that it would be in the best interests of Veraz to deploy the proceeds for some other purpose, such as an acquisition.

The forward-looking statements contained in this press release are made as of the date hereof and Veraz undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

FOR FURTHER INFORMATION PLEASE CONTACT:

Gerardjan (“Oppe”) Cosijn, President and Chief Executive Officer
Phone: (403) 781-7930
Fax: (403) 514-0383
Email: oppe.cosijn@verazpetroleum.com

Or

Colin Christie, Vice President, Finance and Chief Financial Officer
Phone: (403) 781-7931
Fax: (403) 514-0383
Email: colin.christie@verazpetroleum.com

200, 209 – 8th Avenue SW, Calgary, Alberta, Canada T2P 1B8 Main: 403.514.0382 or Fax: 403.514.0383
Website: www.verazpetroleum.com TSX-V:VRZ

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