



PRESS RELEASE

VERAZ PETROLEUM LTD. ANNOUNCES SIGNING OF DRILLING CONTRACT FOR BLOCK 126 IN PERU

Calgary, Canada – February 28, 2011 – Veraz Petroleum Ltd. (“**Veraz**” or the “**Company**”) (TSX-V:VRZ) is pleased to announce that a one year drilling contract has been signed with the Peruvian drilling contractor, Petrex S.A., for the drilling of up to three wells on Block 126 in east central Peru.

The Company and its partner, Petrominerales Ltd., anticipate drilling operations will commence early in the third quarter of 2011 with the spud of the La Colpa 2X well. This location, selected on a proprietary 3D seismic survey completed in December 2009, is situated roughly two kilometers north of the La Colpa 1X well which was drilled in 1989 by Occidental Petroleum Corp. and tested oil from four different intervals. Following completion of the La Colpa 2X well, the rig will be moved south west to drill on a large, untested feature known as the Sheshea structure. Finally, the rig is anticipated to drill a third location, the La Colpa Norte, north of La Colpa 2X, to further investigate the size of the resource on that structure.

For further information on the prospects described, readers are referred to the Company’s website and public filings on Sedar.

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. 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 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.

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