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PRESS RELEASE
DECEMBER 17, 2008

**VERAZ PETROLEUM ANNOUNCES SUBMISSION OF ENVIRONMENTAL
IMPACT ASSESSMENT AND ADVANCEMENT TO SECOND EXPLORATION
PHASE**

Calgary, Alberta – Veraz Petroleum Ltd. (VRZ - CNSX) is pleased to announce that it has completed its initial Environmental Impact Assessment (EIA) on Block 126 in east central Peru and has submitted it to the Ministry of Energy and Mines for approval. The EIA contemplates the acquisition of a 150 sq. km of new 3D seismic data, an additional 50km of 2D seismic data and the drilling of up to four exploration wells. It further included extensive community consultations with indigenous communities impacted by the proposed exploration program. The seismic programs will be initiated subsequent to the approval of the EIA, which is anticipated to take four to six months with drilling anticipated to begin in the second quarter of 2010.

To fulfill the first phase of the Corporation's four phase, seven year exploration commitment, a report was required detailing results from the reinterpretation of over 1,000 km of reprocessed seismic data as well as relevant geological and engineering information. This report and a detailed description of the Corporation's anticipated exploration program was presented to and approved by Perupetro at a meeting of the Supervisory Committee on December 11, 2008. The Corporation has consequently, subject to posting a financial guarantee which is expected to be in place on December 19, 2008, been approved to proceed to the second, two year exploration phase.

Veraz is a Calgary-based junior resource exploration company focused on international oil and gas exploration and development activities.

**CAUTIONARY STATEMENT REGARDING FORWARD LOOKING
STATEMENTS**

This news release contains forward-looking statements or forward-looking information, and in particular with respect to the adequacy of funds for stated purposes. These forward-looking statements are based on certain assumptions and analysis made by Veraz in light of its discussions with contractors, current conditions and expected future developments, as well as other factors it believes appropriate in the circumstances. These forward looking statements are subject to a variety of risks and uncertainties beyond the Corporation's ability to control or predict which could cause actual events or results to differ materially from those anticipated in such forward looking statements, including those inherent in exploration activities and those relating to the ability to undertake and complete the planned work at an acceptable and expected cost. Should one or more of these risks and uncertainties materialize, or should the underlying assumption prove incorrect or different, actual results may vary materially from those described in the forward-looking statements. All forward

looking statements speak only as of the date of this news release. Accordingly, readers should not place undue reliance on forward-looking statements.

For further information, visit our website at <http://www.verazpetroleum.com> or contact:

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