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Contacts:

Guma Aguiar
Leor Energy
(713) 212-2912
guma@leorenergy.com

Mark Cozzi
Leor Energy
(713) 212-2904
mark@leorenergy.com

Leor Energy Announces Partial Sale

Leor Energy Announces Partial Sale and Important New Production Results

HOUSTON - July 28, 2006 - Leor Energy announced today that it has sold approximately 7,400 net acres in its holding in the Amoruso Field to EnCana Oil and Gas (USA) Inc., a subsidiary of EnCana Corp. (NYSE, TSX: ECA), in exchange for \$242.9 million in cash and 4,039 net acres adjacent to its existing Amoruso Field leasehold. After the transaction, Leor holds interests in approximately 50,000 gross acres in Robertson County, Texas and 150,000 gross acres in the entire Deep Bossier trend.

"This transaction is a win-win for both companies," said Guma Aguiar, Leor Energy CEO. "There are numerous advantages to being joint owners with EnCana in the Amoruso Field, not the least of which is having one of North America's leading natural gas producers as operator of a drilling program which is expected to have eight rigs running by year-end. We are very excited about our on-going relationship with EnCana; we believe EnCana has done an exceptional job as operator and appreciate the role they have played in Leor's having become one of the fastest-growing privately-held energy producers in the United States."

In the Amoruso Field, Leor and EnCana now have seven wells producing at a gross rate of approximately 65 million cubic feet per day (MMcf/d) and await completion of three more wells. With four rigs currently running in Amoruso Field and eight rigs expected to be operating in the next few months, Leor and EnCana expect to have 22 wells drilled by year-end 2006.

Leor and EnCana have incorporated significant changes in well drilling and completion techniques over the past year, leading to the significant success of three recently completed wells, which tested at 32 MMcf/d, 19 MMcf/d, and 15 MMcf/d, respectively. The well which tested at 32 MMcf/d is currently producing from a single zone in the lower Bossier formation. Leor believes this well to be among the most prolific onshore wells producing from a single zone in North America.

In another development, Leor used a portion of the proceeds to retire the \$30 million 10% Senior Secured Note due 2008 provided by Amaranth Partners LLC. With payment of this note, Leor has no outstanding debt on its balance sheet.

About Leor Energy: Leor Energy L.P. is engaged in the acquisition, development, exploitation and marketing of oil and gas properties. Based in Houston, Texas, Leor is one of the fastest-growing privately held exploration and production companies in North America. In 2003, Leor entered into an agreement with Legends Exploration, L.P. to pursue unconventional North American oil and gas plays including the Deep Bossier in Robertson County, Texas. Over the ensuing two years, Leor acquired leases covering nearly 40,000 gross acres in Robertson County, Texas. In July 2005, Leor and EnCana Oil & Gas (USA) Inc., a subsidiary of EnCana Corp. (NYSE: ECA), entered into an agreement to explore and develop the Amoruso Field. Amoruso Field is contiguous to, and shares similar geological properties with, the Savell Field, a major natural gas reservoir currently producing more than 200 million cubic feet per day, according to public data from ConocoPhillips. The Savell Field was discovered by Burlington Resources Inc., which was recently acquired by ConocoPhillips. Other companies currently active in the Deep Bossier trend include Anadarko Corporation (NYSE: APC),

Chesapeake Energy Corporation (NYSE: CHK), and XTO Energy Inc. (NYSE: XTO). In January 2006, Leor closed a \$45 million minority equity financing with Goldman Sachs & Co. (NYSE: GS), which became Leor's first strategic financial partner.