



**PRESS RELEASE FEBRUARY 4, 2011  
VERMILION ENERGY INC. ANNOUNCES INCREASED OFFERING OF SENIOR  
UNSECURED NOTES AND RELATED PRICING**

CALGARY, ALBERTA - Vermilion Energy Inc. (VET – TSX) is pleased to announce that it has increased its previously announced offering of 5-yr Senior Unsecured Notes (the "Notes") by \$25 million to an aggregate principal amount of \$225 million.

The Notes were priced at par and will bear interest at a rate of 6.5% per annum.

The Notes are being offered in each Province of Canada on a private placement basis in accordance with National Instrument 45-106 – Prospectus and Registration Exemptions, without the filing of a prospectus. The Notes have received a preliminary rating of BB (low)/Stable by DBRS Limited and BB- by Standard & Poor's, a division of the McGraw Hill Companies Inc.

Scotia Capital Inc. and CIBC World Markets Inc. acting as joint book runners with TD Securities Inc. as a joint lead manager will lead a group of underwriters including BMO Nesbitt Burns Inc., RBC Dominion Securities Inc., National Bank Financial Inc., Macquarie Capital Markets Canada Ltd., FirstEnergy Capital Corp., Citigroup Global Markets Canada Inc., Dundee Securities Corporation and BNP Paribas Securities Corp. in connection with this offering of Notes.

The offering is expected to close on or about February 10, 2011.

Net proceeds from this offering will be used to make a non-permanent repayment of existing indebtedness under Vermilion's existing credit facility and for general corporate purposes.

All dollar amounts in this press release are Canadian dollars, unless otherwise noted.

Vermilion Energy Inc. is an oil-leveraged producer that adheres to a value creation strategy through the execution of full cycle exploration and production programs focused on the acquisition, exploration, development and optimization of producing properties in Western Canada, Western Europe and Australia. Vermilion is targeting 10% annual growth in production through the exploitation of conventional resource plays in western Canada, including Cardium light oil and liquids rich natural gas, the exploration and development of high impact natural gas opportunities in the Netherlands and through drilling and workover programs in France and Australia. Vermilion also expects to realize a material increase in both production and fund flows at the onset of production from the Corrib gas field in Ireland. This growth, combined with an attractive yield, is expected to generate strong positive returns for investors. Management and directors of Vermilion Energy Inc. hold approximately 9% of the outstanding shares and are dedicated to consistently delivering superior rewards for all its stakeholders. Vermilion Energy Inc. trades on the Toronto Stock Exchange under the symbol VET and over-the-counter in the United States under the symbol VEMTF.

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