

NEWS RELEASE

WesternZagros Announces 2008 Capital Budget

Calgary, Alberta – January 14, 2008 – WesternZagros Resources Ltd. (TSX-V – WZR) ("WesternZagros") announced today that its Board of Directors has approved a total spending budget of \$66 million for 2008. Over 75 per cent of this budget is allocated to seismic and drilling activity in the Kurdistan Region. To date, WesternZagros has completed over 850 kilometres of its 1,150 kilometre seismic commitment. In early 2008, WesternZagros expects to complete its Phase 2 seismic program at which time the Company would conclude its seismic commitment under its work program. In addition, WesternZagros has secured a drilling rig with a U.S. drilling contractor and plans to drill two exploratory wells during the year. The Company expects rig mobilization to commence at the end of January 2008 and drilling operations to begin by the end of the first quarter.

WesternZagros has been in discussions with the Kurdistan Regional Government ("KRG") regarding amendments to the Company's Exploration and Production Sharing Agreement ("EPSA") which was signed in February 2007 in order to bring its contract into conformity with the KRG's recently developed Model Production Sharing Contract ("PSC"). Under the Model PSC, the principal amendments to WesternZagros' EPSA could include an additional Capacity Building Bonus to be paid over a 12 month period, production bonus payments to be paid at various cumulative production milestones, an increased work program and the ability for the KRG to nominate a Third Party Participant for up to a 25% working interest in the contract. At this time, there is no certainty regarding the timing or the content of the discussed amendments to the Company's EPSA.

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About WesternZagros Resources Ltd.

WesternZagros is an international natural resources company engaged in acquiring properties and exploring for, developing and producing crude oil and natural gas. WesternZagros, through its wholly-owned subsidiaries, holds an EPSA with the Kurdistan Regional Government in the Kurdistan Region of Iraq. The Company's shares (WZR) and warrants (WZR.WT) trade on the TSX Venture Exchange.

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This news release may contain forward-looking information based on assumptions that are subject to a wide range of business risks. WesternZagros' operations are subject to all risks normally incident to the exploration, development and operation of crude oil and natural gas properties and the drilling of crude oil and natural gas wells, including geological risk, encountering unexpected formations or pressures, premature declines of reservoirs, potential

environment damage, blow-outs, fires and spills, all of which could result in personal injuries, loss of life and damage to property of WesternZagros and others; environment risks; delay or changes in plans with respect to exploration or development projects or capital expenditures; the ability to attract key personnel; the risk of commodity price and foreign exchange rate fluctuations.

All of WesternZagros' assets are located in Kurdistan. As such, WesternZagros is subject to political, economic, and other uncertainties of that region as well as risks of loss due to civil strife, acts of war, guerrilla activities and insurrections. WesternZagros' operations may be materially adversely affected by changes in government policies and legislation or social instability and other factors which are not within its control. Risks also include the uncertainty involved in the estimation of undiscovered resources. For further information on WesternZagros and the risks associated with its business, please see the Western Oil Sands Inc. Information Circular dated September 14, 2007 which is filed at www.sedar.com.

Forward-looking information typically contains statements with words such as "anticipate", "estimate", "expect", "potential", "could", or similar words suggesting future outcomes. We caution readers and prospective investors of the Company's securities not to place undue reliance on forward-looking information as by its nature, it is based on current expectations regarding future events that involve a number of assumptions, inherent risks and uncertainties, which could cause actual results to differ materially from those anticipated by WesternZagros.

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