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FOR IMMEDIATE RELEASE

SYNENCO ENERGY RELEASES 2007 RESULTS

Plans phased workforce reduction in 2008

CALGARY -- Synenco Energy Inc. (TSX: SYN) today released financial results and operating highlights for the year ended December 31, 2007.

Synenco reported a net loss for the year ended December 31, 2007 of \$15.0 million (\$0.30 per diluted share) compared with a net income of \$3.9 million (\$0.07 per diluted share) in 2006. The net loss for 2007 includes an impairment charge of \$35.5 million for the Northern Lights upgrader engineering and development costs. Synenco's share of the impairment charge, after tax, was \$15.3 million (\$0.30 per share). The net loss for the year also includes restructuring costs of \$2.5 million resulting from reductions in Northern Lights development activities announced in May. Synenco's share of these restructuring costs was \$1.5 million (\$0.03 per share).

Most costs incurred by Synenco relate to Northern Lights Partnership (NLP) project development activities and are capitalized. As a development-stage entity, Synenco expects it will mainly report net losses until project development activities are complete and operations commence.

In 2007, consolidated capital expenditures totaled \$129.5 million and were related to engineering, drilling operations, the extraction-process pilot plant, the Fort MacKay/Firebag aerodrome, activities related to regulatory submissions, technology licensing agreements and internal personnel and other costs related to project development activities. The consolidated capital expenditures include amounts incurred by the NLP, in which Synenco's ownership participation is 60 percent. Synenco's net ownership interest in consolidated capital expenditures was \$78.9 million.

Cash and cash equivalents were \$299.1 million and \$406.8 million as at December 31, 2007 and 2006, respectively. Of the cash and cash equivalents held by NLP, 60 percent is available to meet Synenco's share of future NLP obligations. As at December 31, 2007, Synenco's share of the total consolidated cash and cash equivalents available to meet its future obligations was \$267.8 million (2006 - \$342.7 million).



A summary of Synenco's consolidated financial results as at and for the years ended December 31, 2007 and 2006 is included below:

Selected Financial Information
(In thousands except per share data)

For the years ended December 31,	2007	2006
Interest income	15,283	16,503
Downstream asset impairment charge	35,548	-
General and administrative and amortization costs	18,459	12,187
Restructuring costs	2,489	-
Non-controlling interest share in Partnership income (loss)	(16,999)	74
Income tax expense (recovery)	(9,252)	342
Net income (loss)	(14,962)	3,900
Net income (loss) per share		
Basic	(0.30)	0.08
Diluted	(0.30)	0.07
Cash and cash equivalents	299,124	406,795
Total assets	654,548	670,346
Shareholders' equity	429,086	439,437
Common shares outstanding	50,456	50,251

2008 phased workforce reduction

The company also announced its intention to implement a phased workforce reduction plan that reflects the narrower focus of company activities. These priority activities are: to advance the Northern Lights oil sands mining and extraction application through the regulatory process, to complete the resource analysis following the 2007/2008 drilling programs, to complete pilot plant work, and to reinvigorate Synenco's strategic options review process. The phased plan contemplates reducing the company's workforce, in accordance with the completion of priority work, by 60 to 70 people from the current level of approximately 100, by year end.

Severance costs associated with the phased reduction are anticipated to be approximately \$5 million, and Synenco's planned 2008 cash expenditures are expected to decline from \$50 million to approximately \$40 million.

"As we concentrate the focus of Synenco's activities, we recognize and appreciate the contribution of all employees," said Chairman, President and CEO Mike Supple. "We will advocate for those who will be leaving the company during the year, as they transition to new opportunities that can make use of their talents and experience. "

2007 operating highlights

Fourth quarter

- Synenco Energy updated the oil sands mining and bitumen extraction application now with Alberta regulators by filing a supplemental submission, which included a project description update, EIA update and responses to Supplemental Information Requests.
- The company announced results from the 2006/2007 winter drilling program on the Northern Lights Partnership (NLP) lands and the Best Estimate of Discovered Resources (subsequently redefined as Discovered Petroleum Initially-In-Place) on these lands. The Best Estimate of Discovered Petroleum Initially-In-Place, as provided by Norwest Corporation, an independent geology, engineering and environmental consultant, is 1.657 billion barrels (994 million barrels net to Synenco).
- Synenco announced the resignation of Idar Eikrem as Chief Financial Officer.

Third quarter

- Synenco Energy started an extraction process pilot test at a new testing facility located at Fort MacKay, Alberta, operated by SGS Canada Inc.
- The company concluded that it is unlikely to build an upgrader on the Sturgeon County, Alberta site that would utilize certain previously completed engineering and development work. Accordingly, Synenco recorded an impairment charge of \$35.5 million for property, plant and equipment.
- Synenco announced that the NLP would become a participant in the Fort MacKay/Firebag Aerodrome -- a private, full service airport located about 30 kilometres southeast of the proposed oil sands mine site. The aerodrome would be used to facilitate the transport of employees and contractors during construction and operation.

Second quarter

- Synenco Energy announced an updated capital cost forecast for the proposed NLP upgrader project in Sturgeon County and that the company would suspend further activities on the project and seek a regulatory time-out from regulators (subsequently granted). The company also retracted previously announced timetables for first oil and reduced its capital expenditures estimate for 2007 from \$235 million to \$100 million.
- Synenco announced a plan to assess options for a strategic repositioning of the company and described a range of possible outcomes, including restructuring of the NLP, alternative downstream commercial ventures, and other corporate-level options. As part of the strategic review of its operations, the company eliminated 46 employee positions.
- The company announced the first independent estimate of coal resources on NLP's coal lease application area. The indicated coal resource was estimated at 62,950 kilotonnes and the inferred coal resource was estimated at an additional 78,658 kilotonnes. On behalf of



the NLP, Synenco holds five coal lease applications in northeastern Alberta covering 60,160 hectares.

First quarter

- Synenco concluded the 2006/2007 winter drilling program on NLP's Western Lease to advance mine planning in the area where the initial Northern Lights mine pit is planned to be located.

About Synenco Energy

Synenco Energy is a Calgary-based oil sands company which, with a 60-percent interest, is the managing partner of the Northern Lights Partnership and operator of the Northern Lights mineable oil sands project. (SinoCanada Petroleum Corporation, an indirect wholly owned subsidiary of China-based Sinopec, owns the remaining 40 percent of the partnership and project.) Synenco also holds a 100-percent interest in the McClelland oil sands lease adjacent to the Northern Lights project lands. Visit Synenco's website at www.synenco.com.

About Northern Lights

The Northern Lights project consists of a planned oil sands mining and bitumen extraction project about 100 kilometres northeast of Fort McMurray, Alberta and a proposed heavy oil upgrader project in Sturgeon County near Edmonton. The project is designed to produce 114,500 barrels per day of bitumen for an estimated 28 years. Regulatory applications for the project were first filed with the Alberta Energy and Utilities Board (now the Energy Resources Conservation Board) and Alberta Environment in 2006.

The Northern Lights Partnership also holds coal lease applications in the Athabasca region of northeastern Alberta.

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Cautionary note regarding forward-looking statements

This news release contains forward-looking statements that are expressly qualified, in their entirety, by this cautionary statement. Forward-looking statements are often, but not always, identified by words such as "believe", "expect", "estimate", "intend", "plan", "seek", "anticipate", "projected", "scheduled", "continue", "potential", "will", "may", "might", "should", "would", "could" and similar expressions. Undue reliance should not be placed on forward-looking statements, which are inherently uncertain, are based on estimates and assumptions, and are subject to known and unknown risks and uncertainties. There can be no assurance that the plans, intentions or expectations upon which forward-looking statements



are based will in fact be realized. Actual results may differ from those expressed or implied in the forward-looking statements.

As the Northern Lights project is only in the early stages of engineering and design and has not yet received regulatory approvals or sought or obtained project financing, all statements about the proposed project and anticipated production are forward-looking statements. Specific forward-looking statements contained in this news release include, among others, statements regarding: scope and anticipated severance costs associated with the planned workforce reduction; the expectation that Synenco will mainly report net losses until project development activities are complete and operations commence; resource estimates in respect of the NLP lands; the likelihood of the upgrader project proceeding as originally contemplated; usage of the Fort MacKay/Firebag Aerodrome facility; the estimated capital cost to construct the upgrader; and the intended design, construction and future capabilities of the Northern Lights project, including anticipated bitumen production and estimated project life. All other statements suggesting future plans and outcomes, including without limitation any statements regarding possible transactions, are forward-looking statements.

With respect to forward-looking statements contained in this news release, Synenco has made assumptions regarding, among other things: future natural gas and crude oil prices; the viability of the current project design (which is subject to change), including the successful application of the technologies proposed to be used in the Northern Lights project; its ability to obtain all required regulatory approvals on a timely basis and subject to satisfactory terms and conditions; its ability to obtain qualified staff, equipment and supplies in a timely and cost-efficient manner; the prevailing regulatory framework within which Synenco it will operate and conduct its business, including with respect to royalties, taxes and environmental matters; the impact of increasing competition and escalating costs; and its capital requirements in the near, medium and long term.

Factors that cause actual results to differ materially from those expressed or implied in the forward-looking statements contained herein include, without limitation: further significant increases in capital and/or operating costs; the impact of market competition for equipment, labour and materials necessary to advance the Northern Lights project, and any unexpected increases in the cost of, or delays in obtaining, such items; changes to project design or execution strategy; unforeseen engineering, environmental or geological problems; the ability to obtain all required regulatory approvals on a timely basis and subject to satisfactory terms and conditions; changes in laws and governmental regulations; materially lower than expected bitumen resources; and the effectiveness of the technology contemplated for use in the Northern Lights project. Readers should also review the risk factors and uncertainties described in Synenco's annual information form dated March 12, 2008 and annual MD&A for the year ended December 31, 2007, copies of which are available electronically at www.sedar.com and at www.synenco.com.

The forward-looking statements contained herein are made as of the date of this news release and are not guarantees of future performance or outcomes. Synenco undertakes no obligation to update or revise any forward-looking statements, except as may be required by law.