

FORM 7

MONTHLY PROGRESS REPORT

Name of CNQ Issuer: VERAZ PETROLEUM LTD. (the "Issuer").

Trading Symbol: VRZ

Number of Outstanding Listed Securities: 32,523,580 common shares.

Date: January 05, 2009 (for the month of December, 2009).

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the CNQ Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the CNQ.ca website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the CNQ Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

The Company has completed a 150 km² 3D and 50 km 2D seismic program. Processing and interpretation of the data is underway and is expected to be completed during the first quarter of 2010.

2. Provide a general overview and discussion of the activities of management.

Please reference Item 1, above.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

Not applicable to the Issuer during the month of December, 2009.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

Not applicable to the Issuer during the month of December, 2009.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

Not applicable to the Issuer during the month of December, 2009.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

Not applicable to the Issuer during the month of December, 2009.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship..

Not applicable to the Issuer during the month of December, 2009.

8. Describe the acquisition of new customers or loss of customers.

Not applicable to the Issuer during the month of December, 2009.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

Not applicable to the Issuer during the month of December, 2009.

10. Report on any employee hiring, terminations or lay-offs with details of anticipated length of lay-offs.

Not applicable to the Issuer during the month of December, 2009.

11. Report on any labour disputes and resolutions of those disputes if applicable.

Not applicable to the Issuer during the month of December, 2009.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.
Not applicable to the Issuer during the month of December, 2009.
13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.
Not applicable to the Issuer during the month of December, 2009.
14. Provide details of any securities issued and options or warrants granted.
Not applicable to the Issuer during the month of December, 2009.
15. Provide details of any loans to or by Related Persons.
Not applicable to the Issuer during the month of December, 2009.
16. Provide details of any changes in directors, officers or committee members.
Not applicable to the Issuer during the month of December, 2009.
17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.
Not applicable to the Issuer during the month of December, 2009.

THE BALANCE OF THIS PAGE IS INTENTIONALLY LEFT BLANK

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CNQ that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNQ Requirements (as defined in CNQ Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: January 05, 2010

Colin Christie
Name of Director or Senior Officer

"Colin Christie"
Signature

Vice President, Finance and Chief Financial Officer
Official Capacity

Issuer Details Name of Issuer	For Month Ended	Date of Report YY/MM/D
VERAZ PETROLEUM LTD.	December 31, 2009	2009/12/04
Issuer Address 3520, 350 - 7th Ave. S.W.		
City/Province/Postal Code Calgary, AB, T2P 3N9	Issuer Fax No. (403) 514-0383	Issuer Telephone No. (403) 514-0380
Contact Name Colin Christie	Contact Position Vice President, Finance and Chief Financial Officer	Contact Telephone No. (403) 514-0380
Contact Email Address Colin.Christie@verazpetroleum.com	Web Site Address www.verazpetroleum.com	