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FOR IMMEDIATE RELEASE

TSX Venture Exchange Symbol: VES.P

**VESTA CAPITAL CORP.
ANNOUNCES LETTER OF INTENT**

October 5, 2009 - Toronto, Ontario – Vesta Capital Corp. (“**Vesta**” or the “**Corporation**”) is pleased to announce that it has entered into a binding letter of intent dated September 21, 2009 with each of Mogul Energy International, Inc. (“**Mogul**”) and United Hydrocarbon Corporation (“**UHC**”) and Barisan Energy Limited (“**Barisan**”), pursuant to which Vesta will complete a transaction (the “**Proposed Transaction**”) to acquire an aggregate 65% interest in Excelaron LLC (“**Excelaron**”). The Proposed Transaction will involve Vesta acquiring Mogul’s rights to earn a 40% interest in Excelaron, acquiring 100% of the common shares of UHC, with UHC having a 25% interest in Excelaron, which 25% will include Barisan’s rights to earn a 4% interest in Excelaron. Excelaron, a San Luis Obispo, CA based company formed under the laws of the State of California, is engaged in the exploration of crude oil and developing the “Huasna Oil Field” in Santa Maria, California.

Based on its June 30, 2009 unaudited financial statements for the six months ended June 30, 2009, the Corporation understands that Excelaron has total assets of US\$1,436,858 and total liabilities of US\$252,313.

When completed, the Proposed Transaction will constitute Vesta’s qualifying transaction pursuant to the policies of the TSX Venture Exchange (the “**TSXV**”).

About Mogul

Mogul is a Delaware corporation that is an oil and gas exploration company with headquarters in Seattle, Washington. Mogul has its principal place of business in Seattle, Washington. The common shares of Mogul are quoted on the OTC Bulletin Board (OTCBB) system under the symbol 'MGUY,' and the Frankfurt Stock Exchange under the symbol 'BKX.' Based on publicly available information, as at the date hereof Mogul does not have a “control person” (as such term is defined by the TSXV).

About UHC

UHC is an Ontario corporation with its principal office in Toronto, Ontario that was incorporated in 2008. UHC has a 21% interest in Excelaron and, at the time of closing of the Proposed Transaction is expected to have a 25% interest in Excelaron, as its sole asset.

About Barisan

Barisan is an Australian corporation involved in investing in oil and gas opportunities, and is not listed or

quoted for trading on any organized market. Based on information available to Vesta, Vesta believes that as at the date hereof Barisan does not have a “control person” (as such term is defined by the TSXV).

Terms of the Proposed Transaction

In exchange for Vesta receiving a 65% interest in Excelaron, Vesta is proposing to issue an aggregate of 65,000,000 shares, which will be issued as follows: (i) 38,500,000 shares to Mogul; and (ii) 26,500,000 shares to holders of shares of UHC on a *pro rata* basis, which amount will include 4,000,000 shares to Barisan. Upon completion of the Proposed Transaction, Vesta will own 40% of Excelaron directly and 25% through its wholly-owned subsidiary UHC. Vesta will also grant UHC an assignable 5% gross overriding royalty on all amounts received by Vesta, directly or indirectly, that can be attributed to the 65% interest in Excelaron purchased by Vesta.

The Proposed Transaction will be subject to the terms of a definitive agreement (the “**Definitive Agreement**”), which will include representations and warranties and additional covenants, terms and conditions respecting the Proposed Transaction and all related matters as are usual and customary in transactions of a similar size and character.

The Proposed Transaction is subject to a number of conditions including, but not limited to: (i) negotiation and signing of an acceptable definitive agreement among and between Mogul, UHC, Barisan, and Vesta; (ii) Mogul, UHC, Barisan, and Vesta completing their due diligence of one another; (iii) receipt of all required director approvals, regulatory approvals (including TSXV approval) and receipt of all required consents; and (iv) completion of a private placement financing of UHC with minimum gross proceeds of \$4,000,000 and maximum gross proceeds of \$9,000,000 (the “**UHC Financing**”). The Proposed Transaction cannot close until all the conditions are satisfied. There can be no assurance that the Proposed Transaction will be completed as proposed or at all.

Based on information currently available to it, the Corporation believes that the Proposed Transaction is an arm's length transaction and that no related party of the Corporation has any interest in Mogul, UHC or Barisan. Accordingly, subject to TSXV confirmation, the Proposed Transaction will not, as currently contemplated, be subject to approval by the shareholders of the Corporation.

Fraser Mackenzie Limited (“**Fraser Mackenzie**”) has been retained to act as agent to complete the UHC Financing on a commercially reasonable efforts basis. The UHC Financing will be completed by way of up to 45,000,000 subscription receipts, exercisable into common shares of UHC without further payment provided that certain conditions, including the closing of the Proposed Transaction, are fulfilled, at a price of C\$0.20 per subscription receipt. In connection with the UHC Financing, UHC may pay a finder's fee or commission of up to 8% in cash and 8% in compensation options. Fraser Mackenzie has also agreed to act as sponsor in connection with the Proposed Transaction, however Vesta expects that the Proposed Transaction will be exempt from the TSXV formal sponsorship requirements. An agreement to sponsor should not be construed as any assurance with respect to the merits of the Proposed Transaction or the likelihood of completion. The UHC financing and the sponsorship are subject to the completion of

satisfactory due diligence by Fraser Mackenzie.

Assuming that the minimum gross proceeds are raised as part of the UHC Financing and such proceeds are available to Vesta, Vesta intends to use the net proceeds as follows:

- (a) \$2,000,000 to undertake drilling exploration activities and for six months of operating expenses on Excelaron's "Huasna Oil Field";
- (b) \$1,000,000 to acquire and undertake exploration drilling activities on certain prospects located in the State of California; and
- (c) \$500,000 to undertake geological and geophysical development of prospects in the United States identified by John Masters, who, as described below, is anticipated to become Chairman of the Board of the resulting issuer.

However, the amount actually expended for the purposes described above could vary significantly depending upon, among other things: the progress of Vesta's drilling programs, regulatory approvals, technological advances and Vesta's operating and capital needs from time to time.

Vesta will advance to Mogul by way of a non-interest bearing refundable deposit the sum of \$25,000 to assist Mogul in the payment of expenses related to the preservation of its 40% interest in Excelaron. Upon receipt of TSXV approval, Vesta will advance to Mogul by way of a non-interest bearing refundable deposit an additional sum of \$125,000 to further assist Mogul in the payment of expenses related to the preservation of its 40% interest in Excelaron. Both advances are subject to repayment by Mogul to Vesta in certain circumstances.

Subject to TSXV approval, Vesta may also be conducting a non-brokered private placement of common shares to raise up to \$600,000 of additional funds by issuing up to 3,000,000 common shares at a price of \$0.20 per share. Completion of the Vesta private placement is not a condition of the Proposed Transaction.

About the Resulting Issuer

Following completion of the Proposed Transaction the resulting issuer will continue the development of Excelaron's business. Upon completion of the Proposed Transaction, Mogul, UHC shareholders and Barisan would own approximately 85% of the issued shares of the resulting issuer (on a non-diluted basis). UHC currently has nine shareholders, and only two shareholders who hold a controlling interest in or who otherwise control or direct UHC. The two controlling shareholders of UHC are Petroleum Charities Incorporated, which is a United States resident corporation and G.M. and Partners Corporation, which is a Canadian resident corporation. Based on information available to Vesta, Vesta believes that as at the date hereof William Divine is the sole "control person" (as such term is defined by the TSXV) of Petroleum Charities Incorporated and Brad Griffiths is the sole "control person" (as such term is defined

by the TSXV) of G.M. and Partners Corporation.

It is not anticipated that any single shareholder of UHC will own in excess of 10% of the shares of the resulting issuer, but it is anticipated that Mogul will own approximately 46.55% of the resulting issuer, in the event that the minimum gross proceeds are raised as part of the UHC Financing, and approximately 34.39% of the resulting issuer, in the event that the maximum gross proceeds are raised as part of the UHC Financing.

It is anticipated that the directors and officers of the resulting issuer will be as follows:

- Mr. John Masters will become Chairman of the Board. Mr. Masters, recognized as one of the leading explorers of the 20th century by the AAPG, has more than 20 oil and gas discoveries to his credit. Mr. Masters was the co-founder of Canadian Hunter along with Jim Gray and they both grew the company from the smallest of the 712 registered energy companies in Calgary in 1972 to the 12th largest 20 years later. During this period, Canadian Hunter discovered more than 16 significant gas fields in Western Canada, including at 30TCF, the third largest gas field in North America, and Canada's largest, Elsworth. Under Mr. Masters Canadian Hunter grew from an initial investment of \$5 million by Noranda Mines Corp. in 1973 to a value at its sale to Burlington Resources of \$3.3 billion in 2001.
- Dr. Arthur Halleran will become the Chief Executive Officer and a director of Vesta. Dr. Halleran obtained a Ph.D. Geology & Geophysics from the University of Calgary. Dr. Halleran also has a MSc. Geological Sciences and a B.Sc. Hons. Geological Sciences. Dr. Halleran has 28 years of experience in exploration and development geology with extensive exposure to complex carbonate and clastic environments and new basin analysis. In addition Dr. Halleran has extensive experience in EOR projects. Dr. Halleran was a consulting geologist for Rally Energy and initiated the companies drilling program which discovered the prolific producing fractured reservoir trend as well he provided scientific data for EOR steam recovery. Dr. Halleran was also part owner and Senior Petroleum Geologist – Vice President Exploration for Canacol Energy Ltd., a company with interests in Colombia, Guyana and Brazil. During Dr. Halleran's tenure as VP, Canacol Energy acquired producing assets in Colombia and Brazil and participated in the largest oil discovery in Colombia over the last 10 years.
- Frank Bellotti, is a current director of Vesta. Upon completion of the Proposed Transaction, Mr. Bellotti will remain as an independent director of Vesta. Previously, Mr. Bellotti was a founding partner and director of Kingsdale Capital Corporation, a national fully licensed Investment Dealers Association of Canada, from 2001 to 2006. Currently, Mr. Bellotti is the founder, Chairman and CEO of Euroglobal Capital Partners Inc., an independent financial investment firm offering comprehensive investment banking, corporate advisory, and global equity capital markets. Euroglobal is registered by the Ontario Securities Commission and a member of the Limited Market Dealers Association of Canada. Mr. Bellotti has extensive executive management experience, entrepreneurial acumen, and a vast knowledge of the capital markets.

- Daniel Bloch will become Corporate Secretary of Vesta. Mr. Bloch is a partner at Aird & Berlis LLP in Toronto, and member of the firm's Corporate Finance Group and the Natural Resources Team. Mr. Bloch's practice focuses on all areas of corporate finance, mergers and acquisitions and securities law. Mr. Bloch regularly represents and provides general corporate and securities law advice to publicly and privately held corporations in a wide variety of industries. He has developed a particular expertise in advising issuers and underwriters in connection with public and private financings.

Additional directors and officers will be determined prior to the closing of the Proposed Transaction.

A comprehensive press release with further particulars relating to the Proposed Transaction will follow in accordance with the policies of the TSXV.

ABOUT EXCELARON LLC

Excelaron LLC is a San Luis Obispo, CA based company engaged in the exploration of crude oil. For questions or additional information, please contact Grant Jagelman at 805-549-0760 or at 61 416 250 416.

ABOUT VESTA CAPITAL CORP.

Vesta Capital Corp. is a capital pool company ("CPC") formed under the TSXV CPC program.

Completion of the proposed transaction is subject to a number of conditions, including but not limited to, TSXV acceptance. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the filing statement to be prepared in connection with the proposed transaction, any information released or received with respect to the proposed transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a CPC should be considered highly speculative.

The TSXV has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release. Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

Certain information in this press release may constitute forward-looking information. This information is based on current expectations that are subject to significant risks and uncertainties that are difficult to predict. Actual results might differ materially from results suggested in any forward-looking statements. The Corporation assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward looking-

statements unless and until required by securities laws applicable to the Corporation. Additional information identifying risks and uncertainties is contained in the Corporation's filings with the Canadian securities regulators, which filings are available at www.sedar.com.

For more information, please contact:

Harold Wolkin

President, Chief Executive Officer, Chief Financial Officer and Corporate Secretary of Vesta Capital Corp.

t: 416-485-0980

e: harold.wolkin@sympatico.ca

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