

## NEWS RELEASE

### WesternZagros Announces Completion of Production Sharing Contract

**Calgary, Alberta – February 29, 2008** – WesternZagros Resources Ltd. (TSX-V – WZR) ("WesternZagros") announced today that it has signed a Production Sharing Contract ("PSC") with the Kurdistan Regional Government, Iraq ("KRG") for the 2,120 square kilometre Kalar-Bawanoor Block.

Under the terms of this PSC, which amends WesternZagros' existing Exploration and Production Sharing Agreement, WesternZagros has a 40% working interest, not subject to further dilution by the KRG. The KRG will have a direct 20% interest in the PSC. The remaining 40% will be allocated to a third party or parties by the KRG within a six month period, with a requirement to pay their share of the costs incurred by WesternZagros.

Contractor participants:	WesternZagros	40% (Operator)
	KRG owned company	20% (Carried interest primarily by WesternZagros)
	Third Party(ies)	40% (Appointed by KRG)

The primary terms include: capacity building support payable over a 15 month period for the well being of the people in the vicinity of the PSC area, production bonuses payable by all parties at various threshold cumulative production levels and a minimum work commitment of 1,150 kilometres of 2-D seismic and three exploration wells.

There are no changes to the previously disclosed fiscal terms as these were already in conformance with the terms of the Model PSC. The fiscal terms ultimately provide an approximate 85/15% profit split between Iraq and the Contractor participants of any successful development.

Dr. Ashti Hawrami, Minister of Natural Resources of the KRG commented, "WesternZagros has been actively involved in the Kurdistan Region for over three years and I am pleased to have finalized this negotiation which now brings the PSC into conformity with the Oil and Gas Law of the Kurdistan Region – Iraq. We appreciate WesternZagros' dedicated exploration activities and look forward to moving ahead as a partner in their future activities."

Simon Hatfield, President of WesternZagros stated, "With this agreement now completed, we look forward to the time when our exploration activities, when successful, will assist with the economic development of the Kurdistan Region and provide substantial value to all the people of Iraq and the shareholders of WesternZagros. We are advanced with our seismic program, we have broken ground on our first well location, an excellent rig is on its way to the region and we are on track to commence drilling this April."

#### 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 a Production Sharing Contract with the Kurdistan Regional Government, Iraq. The Company's shares trade on the TSX Venture Exchange under the symbol "WZR".

**For further information please contact:**

**Greg Stevenson**

Vice President, Finance  
(403) 693-7007

**Dorreen Miller**

Manager, Investor Relations & Communications  
(403) 693-7019

*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](http://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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