

Financial Highlights

(000s except per share amounts)	Three months ended June 30, 2009	Three months ended June 30, 2008	Percent Change	Six months ended June 30, 2009	Six months ended June 30, 2008	Percent Change
Natural gas sales	\$8,293	\$7,358	13	\$20,574	\$12,833	60
Funds from operations	\$2,927	\$4,568	(36)	\$10,239	\$7,219	42
- per share basic & diluted	\$0.06	\$0.32	(81)	\$0.20	\$0.50	(60)
Net income (loss)	\$(4,437)	\$1,942	(328)	\$(7,288)	\$2,010	(463)
- per share basic & diluted	\$(0.09)	\$0.13	(169)	\$(0.14)	\$0.14	(200)
Capital investment additions	\$1,266	\$2,435	(48)	\$5,216	\$5,487	(5)
Property acquisition	\$51	\$ -	NA	\$3,212	\$ -	NA
Property disposition	\$4,436	\$ -	NA	\$5,120	\$ -	NA
Total assets	\$370,792	\$109,235	239	\$370,792	\$109,235	239
Net bank debt and working capital deficit	\$95,239	\$17,949	431	\$95,239	\$17,949	431
Shares outstanding	51,367	14,441	256	51,367	14,441	256

Operating Highlights

(000s except per share amounts)	Three months ended June 30, 2009	Three months ended June 30, 2008	Percent Change	Six months ended June 30, 2009	Six months ended June 30, 2008	Percent Change
Daily avg gas production (Mcf/d)	26,048	8,045	224	26,605	8,004	232
Daily avg production (BOE/d)	4,341	1,341	224	4,434	1,334	232
Average sales price (\$/Mcf)	3.50	10.05	(65)	4.27	8.81	(52)
Realized hedging gain (\$/Mcf)	-	-	NA	0.27	-	NA
Royalties expense (recovery) (\$/Mcf)	(0.21)	0.81	(126)	0.09	0.80	(89)
Operating expenses (\$/Mcf)	1.34	1.84	(27)	1.28	1.82	(30)
Transportation expenses (\$/Mcf)	0.17	0.17	-	0.18	0.18	-
Operating netback (\$/Mcf)	2.20	7.23	(70)	2.99	6.01	(50)
Operating netback (\$/BOE)	13.21	43.40	(70)	17.93	36.04	(50)
CBM wells drilled (gross/net)						
- Horseshoe Canyon	0.0 / 0.0	4.0 / 2.1	NA / NA	13.0 / 7.3	22.0 / 10.9	(41) / (33)
Land (000s of net acres)	476	262	82	476	262	82

Q2 2009 Highlights

Financial performance

- Funds from operations for the three months ended June 30, 2009 decreased 36% to \$2.9 million (\$0.06/share diluted) from \$4.6 million (\$0.32/share diluted) for the same period in 2008. The decline reflects a 65% lower average natural gas price of \$3.50/mcf and higher interest costs offset by reduced royalties, operating costs and general and administrative costs.
- Net loss for the second quarter was \$4.4 million (\$0.09/share diluted) versus net income of \$1.9 million (\$0.13/share diluted) for the same period in 2008.
- Capital expenditures for the second quarter totaled \$1.3 million and were limited to workovers and remedial work. No new wells were drilled during the period.
- Cost efficiencies have continued to improve. Operating costs declined \$3.23/BOE from the first half of 2008 to \$7.69/BOE; general and administrative costs declined \$1.33/BOE to \$2.63/BOE.
- Total cash costs, including operating, transportation, general and administrative and interest costs, declined 24% in the first half to \$13.94/BOE from \$18.33/BOE in the first half of 2008.
- The effective royalty rate declined in the first half of 2009 to 2.3% reflecting the new Alberta Crown royalty rate, offset by higher freehold royalties on purchased production and a recovery of previously paid Crown royalties. At current gas prices, Ember's royalty rate is estimated at 4 to 5% of revenue.
- Net bank debt and working capital has been reduced to \$95.2 million from \$101.2 million at the end of Q-1 2009. The decline resulted from the sale of non-core assets effective April 1, 2009 which generated gross proceeds of \$4.55 million and application of excess cashflow in the second quarter.
- A new \$102 million borrowing facility was negotiated with Ember's banking syndicate comprised of a \$5 million dollar revolving working capital amount and a \$97 million revolving term facility.

Operating performance

- Average production for the second quarter increased 224% to 26.0 MMcf/d from 8.0 MMcf/d during the same period in 2008, with most of the increase from the acquisition of Cordero Energy Inc. in September 2008.
- Production declined 4% from Q-1 including divested non-core production of 0.8 MMcf/d. Excluding divestitures, base production declined a modest 1.4% with no new drilling and modest capital expenditures.
- The operating netback for the first half of 2009 was \$17.93/BOE compared to \$36.04/BOE in 2008. Low gas prices contributed to a revenue decline of \$27.22/BOE, offset by a \$3.26/BOE reduction in operating and transportation expenses and a \$4.21/BOE decrease in royalties.

- Non-core assets sold during the quarter generated \$4.55 million and included production of 125 BOE/d. To date, non-core asset dispositions have generated \$7.0 million and included 138 BOE/d, 350,000 BOE of proved plus probable reserves and 32 thousand net acres of undeveloped land.

Guidance update

- Ember has revised its production and spending guidance for full-year 2009 due to low gas prices. Production is expected to average 25-26 MMcf/d, down from the previously forecast 26-27 MMcf/d, and capital spending has been reduced to \$15 million, down from \$25 million. Capital expenditures will remain within cash flows, while non-core asset divestitures and excess cash flow will be used to reduce debt.
- This level of spending will result in an estimated 20-25 net wells for the full year. For the remainder of the year eight wells (4.8 net) have been drilled in the third quarter and 5-10 net wells are planned for the fourth quarter.

Signs of gas market rebalancing

Natural gas prices in the second and third quarters have remained weak and below levels required to encourage new investment in most natural gas projects in North America. Natural gas storage is at record levels for this time of the year which is keeping prices depressed. There are signs of rebalancing beginning to emerge in the marketplace. The sharp reduction in natural gas drilling has reduced supplies in both Canada and the United States and signs are emerging of an economic recovery. Although weather dependent, the combination of these factors could help restore balance in the marketplace and improved natural gas pricing during the upcoming winter months.

Outlook

- Ember is continuing to focus on development of its CBM properties and generating cost efficiencies on its core properties located on trend with the Horseshoe Canyon coals in Alberta.
- Ember's low cost structure generates one of the highest netbacks for natural gas production in Western Canada.
- Base production is very stable as evidenced by the low rate of decline in the second quarter despite no new drilling and minimal capital maintenance costs.
- A large number of locations are drill-ready for when natural gas prices and cash flow improve. Easy access to surface leases and existing infrastructure allow Ember to have new wells drilled and producing within six weeks.

"Ember continues to generate one of the highest gas netbacks in Western Canada which points to our success in managing our way through this low gas price environment. We have reduced our cash costs, lowered our debt levels and maintained a stable production base despite minimal levels of new drilling activity," said Doug Dafoe President and CEO. "Our Horseshoe Canyon resource play and extensive drilling inventory are ready to resume our historical growth profile once natural gas markets improve."

As referred to above, Embers' unaudited financial statements and related MD&A for the quarter ended June 30, 2009 can be located at www.sedar.com or www.emberresources.com. To the extent investors do not have access to the internet, copies of the unaudited financials and related MD&A can be obtained on request without charge by contacting Ember Resources Inc. at 403 270 0803.

Conference Call

A conference call to review Ember's second quarter results will take place on August 7, 2009 at 9:00 AM MDT (11:00 AM EDT). The conference call can be accessed by dialing in 15 minutes prior to the scheduled start at 1-877-407-8033. A live webcast will also be provided on: www.emberresources.com. A playback recording of the conference call will be available for 30 days and can be accessed by calling 1-877-660-6853 and enter the account #286 and conference ID #322279.

Reader Advisory

FORWARD-LOOKING STATEMENTS

This press release may contain forward-looking statements including future production, anticipated levels of bank debt, anticipated capital expenditures and development plans. These statements are based on current expectations that involve a number of risks and uncertainties, which could cause actual results to differ from those anticipated. These risks include, but are not limited to: the risks associated with the oil and gas industry (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), commodity price and exchange rate fluctuation and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures. Actual results, performance or achievement could differ materially from those expressed in, or implied by, such forward looking statements and accordingly, no assurances can be given that any of the events anticipated by the forward looking statements will transpire or occur. Except as required by law, Ember undertakes no obligation to update or revise any forward-looking statements. Additional information on these and other factors that could affect the Company's operations or financial results are included in the Company's reports on file with Canadian securities regulatory authorities.

BOE Disclosure: Disclosure provided herein in respect of barrels of oil equivalent (BOE) may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Reserve information in this press release is based on an independent reserve evaluation report prepared by McDaniel & Associates Consultants Ltd. ("McDaniel") dated March 4, 2009 with an effective date of December 31, 2008. Net asset value calculations do not necessarily represent or equate to fair market value.

Ember Resources Inc. is a resource company specializing in coalbed methane (CBM) with extensive land and resource holdings in Alberta, Canada. Ember's shares are traded on the Toronto Stock Exchange under the trading symbol "EBR".

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EMBER RESOURCES INC.

Management Discussion and Analysis

The following Management Discussion & Analysis (“MD&A”) is intended to assist in the understanding of the trends and significant changes in the financial condition and results of operations of Ember Resources Inc. (“Ember” or the “Company”) for the three and six month period ended June 30, 2009. The Company’s financial results have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”) (see change in accounting policy). The MD&A includes comparisons for the corresponding three and six month periods ended June 30, 2008. The following information has been prepared by management and should be read in conjunction with the audited financial statements for the year ended December 31, 2008, dated March 19, 2009. The reporting and the measurement currency is the Canadian dollar. This MD&A is dated as of August 6th, 2009.

FORWARD-LOOKING STATEMENTS

Statements throughout this MD&A that are not historical facts may be considered “forward-looking statements”. Some of the statements contained herein including, without limitation, financial and business prospects and financial outlooks may be forward-looking statements which reflect management’s expectations regarding future plans and intentions, growth, results of operations, performance and business prospects and opportunities. Words such as “may”, “will”, “should”, “could”, “anticipate”, “believe”, “expect”, “intend”, “plan”, “potential”, “continue” and similar expressions have been used to identify these forward-looking statements. These statements reflect management’s current beliefs and are based on information currently available to management. Forward-looking statements involve significant risk and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including, but not limited to, changes in general economic and market conditions and other risk factors. Although the forward-looking statements contained herein are based upon what management believes to be reasonable assumptions, management cannot assure that actual results will be consistent with these forward-looking statements. Investors should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and may be updated as required by law should material events or circumstances arise.

NON-GAAP MEASUREMENTS

This MD&A contains the terms “operating netback”, “funds from operations”, “net debt” and “net bank debt and working capital”. These measurements should not be considered an alternative to, or more meaningful than, cash flow from operating activities as determined in accordance with Canadian GAAP as an indicator of the Company’s performance. The Company’s determination of funds from operations, operating netback, and net debt may not be comparable to that reported by other companies. The Company also presents funds from operations per share whereby per share amounts are calculated using weighted average shares outstanding consistent with the calculations used in determining earnings per share. Ember’s peer companies in the oil and gas industry use the same definitions and for consistency the Company will continue to report in this manner.

Funds from operations are determined as operating cash flows before abandonment expenditures and working capital adjustments. Management uses this term to compare with other companies that also report this measure, to manage debt facilities that may use this measure to guide determination of debt pricing, and to readily provide this information to investors that routinely request this measure. Operating netback is not a measure that is readily apparent in the GAAP prepared financial statements. It is an energy industry measure which measures funds flows at the field level by determining all field-related revenues less costs. The Company uses this measure to compare its field operations with those of its peers, and reports this measure to members of the investment community requesting it, or in the absence of the Company providing it, calculating the measure themselves. Net debt is determined as total long term debt (excluding non cash long term liabilities) plus current liabilities minus current assets. Net bank debt and working capital is defined as total long term bank debt plus current liabilities minus current assets.

VOLUME PRESENTATION

This MD&A contains disclosure expressed as barrel of oil equivalent ("BOE"); such equivalency measures may be misleading particularly if used in isolation. Petroleum and natural gas reserves and volumes have been converted to a common unit of measure of one BOE on a basis of six thousand cubic feet "Mcf" of gas to one barrel "bbl" of oil. This conversion ratio is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

For the three months ended June 30, 2009, 2,000 BOE (2008 – nil) of liquids were converted to gas equivalents and reported as natural gas volumes. For the six months ended June 30, 2009, 8,300 BOE (2008 – nil) of liquids were converted to gas equivalents and reported as natural gas volumes. These volumes are considered immaterial with respect to the presentation of the Company's interim filings.

SHARE CONSOLIDATION

On September 5, 2008 in conjunction with the acquisition of Cordero Energy Inc. ("Cordero"), Ember consolidated its share capital, issuing one share in exchange for each 2.5 shares held. All share amounts reflected in this report are on a post consolidation basis.

EMBER'S BUSINESS

Ember is a natural gas exploration and production company focused on extraction of natural gas derived from coal or coalbed methane ("CBM") in the province of Alberta, Canada. The Company operates in the following principal geographic areas of Alberta: Horseshoe Canyon coal areas of Acme, Buffalo Lake, Malmo and Fenn-Big Valley, located north of Calgary; and Mannville coal prospective areas of Rosalind located south-east of Edmonton, and Manola located north-west of Edmonton. At June 30, 2009, the Company held interests in 476,000 net acres of developed and undeveloped land, and had an average rate of production for June 2009 of 25,389 Mcf/d (4,232 BOE/d).

HISTORY

In July 2005, Ember, Thunder Energy Inc. ("Thunder"), Mustang Resources Inc. ("Mustang") and Forte Resources Inc. ("Forte") completed a Plan of Arrangement (the "Arrangement"). Under the Arrangement, Ember acquired certain natural gas rights associated with coal from Thunder and became engaged in the acquisition, development and production of CBM gas reserves. Ember assumed all liabilities, including environmental liabilities, relating to the transferred assets.

In July 2005, Ember completed a \$6 million private placement consisting of 1,243,523 Common Shares in the capital of Ember issued at \$4.83 per share to employees, directors and service providers of Ember.

On August 31, 2005, Ember completed a bought deal financing of 2,800,000 Common Shares at a price of \$17.88 per share for gross proceeds of \$50,050,000.

On March 1, 2007, the Company acquired CBM natural gas assets from a private company for cash consideration of \$8.75 million. The assets located in the Acme area of Alberta consisted of 10 drilled and completed non-producing gas wells with an average working interest of 92%, and a 70.5% operated interest in 16,960 gross acres of land (11,960 net).

Also on March 1, 2007, the Company issued 2,264,160 Common Shares by way of a private placement, at \$6.63 per share for cash consideration of \$15.0 million. Proceeds of the issue were used to fund the \$8.75 million Acme acquisition with the balance used to reduce debt and for working capital purposes.

On September 5, 2008, Ember acquired Cordero Energy Inc ("Cordero") pursuant to a Plan of Arrangement. Under the Plan of Arrangement, Ember acquired all of the issued and outstanding shares of Cordero for \$71.768 million in cash and the issuance of 26,194,207 Ember Common Shares at an attributed value of \$4.36 per Ember share.

On September 5, 2008 Ember issued through a private placement equity financing, 10,731,707 Common Shares at \$5.125 per share for gross proceeds of \$55 million.

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On January 1, 2009 the Company amalgamated with its wholly owned subsidiaries Cordero Energy Inc., Cordero Finance Corp., and 1393401 Alberta Ltd.

On May 12, 2009, Ember closed a new syndicated \$102 million credit facility with two Canadian banks and one other Canadian financial institution. The facility consists of a \$5 million working capital facility and a \$97 million production facility.

Since inception, Ember has drilled 177 gross (148.2 net) Horseshoe Canyon wells, and 13 gross (11.5 net) Mannville wells. The Company has increased production from 2,336 Mcf/d (389 BOE/d) at inception to a current rate of 25,389 Mcf/d (4,232 BOE/d), an increase of 908%.

SECOND QUARTER 2009 REVIEW

The following are highlights of the six months ended June 30, 2009.

Financial performance

- Funds from operations for the three months ended June 30, 2009 decreased 36% to \$2.9 million (\$0.06/share diluted) from \$4.6 million (\$0.32/share diluted) for the same period in 2008. The decline reflects a 65% lower average natural gas price of \$3.50/mcf and higher interest costs offset by reduced royalties, operating costs and general and administrative costs.
- Net loss for the second quarter was \$4.4 million (\$0.09/share diluted) versus net income of \$1.9 million (\$0.13/share diluted) for the same period in 2008.
- Capital expenditures for the second quarter totaled \$1.3 million and were limited to workovers and remedial work. No new wells were drilled during the period. (next sentence delete here – mentioned later).
- Cost efficiencies have continued to improve. Operating costs declined \$3.23/BOE from the first half of 2008 to \$7.69/BOE; general and administrative costs declined \$1.33/BOE to \$2.63/BOE.
- Total cash costs, including operating, transportation, general and administrative and interest costs, declined 24% in the first half to \$13.94/BOE from \$18.33/BOE in the first half of 2008.
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