



MANAGEMENT'S DISCUSSION AND ANALYSIS

***FOR THE THREE MONTH PERIODS ENDED
MARCH 31, 2009 AND 2008***

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This Management's Discussion and Analysis ("MD&A") of financial condition, future prospects and results of operations of Petro-Reef Resources Ltd. ("Petro-Reef" or the "Corporation") is dated May 27, 2009. It should be read in conjunction with the interim financial statements and corresponding notes for the three month period ended March 31, 2009.

The Corporation's financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. When alternative accounting methods exist, management has chosen those methods it deems most appropriate in the circumstances. Financial statements are not precise since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects. The financial information contained elsewhere in this report has been revised to ensure consistency with the financial statements.

Management has established systems of internal controls, which are designed to provide reasonable assurance that the Corporation's assets are safeguarded from loss or unauthorized use and to produce reliable accounting records for the preparation of financial information.

Petro-Reef's Board of Directors has reviewed and approved the March 31, 2009 interim financial statements and related MD&A.

This MD&A provides certain financial measures that do not have a standardized meaning prescribed by Canadian generally accepted accounting principles ("GAAP"). These non-GAAP financial measures may not be comparable to similar measures presented by other issuers. Cash flow from operations and operating netback are not recognized measures under GAAP. Management believes that in addition to net income, cash flow from operations and operating netback are useful supplemental measures that demonstrate the Corporation's ability to generate the cash necessary to repay debt or fund future growth through capital investment. Investors are cautioned, however, that these measures should not be construed as an alternative to net income determined in accordance with GAAP as an indication of Petro-Reef's performance. Petro-Reef's method of calculating these measures may differ from other companies and accordingly, they may not be comparable to measures used by other companies. Operating netback is calculated on a \$/boe basis and is defined as revenue less royalties and operating expenses.

READER ADVISORY REGARDING FORWARD LOOKING INFORMATION

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 the Corporation assumes no obligation except as required by law to update or review them to reflect new events or circumstances.

Forward-looking statements and other information contained herein concerning the oil and gas industry and the Corporation's general expectations concerning this industry are based on estimates prepared by management using data from publicly available industry sources as well as from reserve reports, market research and industry analysis and on assumptions based on data and knowledge of this industry which the Corporation believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While the Corporation is not aware of any misstatements regarding any industry data presented herein, the industry involves risks and uncertainties and is subject to change based on various factors.

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management.

DESIGN OF INTERNAL CONTROLS OVER FINANCIAL REPORTING

Effective for the year-end 2006, securities regulations state that the Corporation is to design and implement internal controls over financial reporting and disclose in its MD&A any material changes in the Corporation's internal control over financial reporting that occurred during the Corporation's most recent interim period. Internal controls are processes designed and implemented by management to provide reasonable assurance regarding the reliability of the Corporation's financial reporting and the preparation of financial statements and other financial information for external purposes in accordance with Canadian GAAP. For the period ended March 31, 2009, the Chief Executive Officer and the Chief Financial Officer have designed internal controls over financial reporting, or caused them to be designed under their supervision. Management has concluded that internal controls are adequately designed in this regard, considering the employees involved and the control procedures in place, including management and Audit Committee oversight. Occasionally, the Corporation requires outside assistance and advice on taxation, new accounting pronouncements and complex accounting and reporting issues, which is common with companies of a similar size. It should be noted, that a corporation's control system, no matter how well designed, can provide only reasonable, but not absolute, assurance of detecting, preventing and deterring errors or fraud. There have been no changes in internal controls from the prior year.

BUSINESS RISKS

Petro-Reef is exposed to risks inherent in the oil and gas business. Operationally, the Corporation faces risks associated with finding, developing and producing oil and gas reserves, such as the availability of rigs and inclement weather. The Corporation continues to follow strict exploration criteria on each prospect to ensure high profitability and rate of return on capital investment. Exploration risks are managed by hiring skilled technical staff and by concentrating exploration activity on areas in which Petro-Reef has experience and expertise. Petro-Reef operates most of its production, allowing the Corporation to manage costs, timing and sales of production. Estimates of economically recoverable reserves and the future net cash flow are based on factors such as commodity prices, projected production and future capital and operating costs. These estimates may differ from actual results. The Corporation has its reserves evaluated annually by an independent engineering firm. Petro-Reef is also exposed to environmental risks and risks associated with the reliance upon relationships with partners. Petro-Reef carries environmental liability, property, drilling and general liability insurance to mitigate its risks. The Corporation is also exposed to financial risks in the form of commodity prices, interest rates, the Canadian to U.S. dollar exchange rate and inflation. Petro-Reef manages commodity price risk by focusing its capital program on areas that are expected to generate attractive rates of return.

ABBREVIATIONS

bbl	barrel	GJs/d	gigajoules per day
bbls	barrels	M3	cubic meters
bcf	billion cubic feet	Mbbls	thousands of barrels
bhp	brake horsepower	mcf	thousand cubic feet
boe	barrel of oil equivalent (1 boe = 6 mcf)	mcf/d	thousand cubic feet per day
bbls/d	barrels per day	MMbbls	millions of barrels
boe/d	barrels of oil per day	mmcf	million cubic feet
FNR	future net revenue	mmcf/d	million cubic feet per day
GJ	gigajoule	NGLs	natural gas liquids
		NPV	net present value

Reference is made to barrels of oil equivalent. Barrels of oil equivalent may be misleading, particularly if used in isolation. In accordance with National Instrument 51-101, a boe conversion ratio for natural gas of 6 mcf: 1 bbl has been used, which is based on an energy equivalent conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

NOTE: In this report all currency values are in Canadian dollars.

Additional information about Petro-Reef is available on SEDAR at www.sedar.com.

SELECTED QUARTERLY INFORMATION

Financial

<i>Three months ended March 31</i>	2009	<i>2008</i>	% Growth
Total Revenue	\$2,646,289	\$4,730,694	(44.1%)
Cash Flow From Operations	\$1,001,361	\$2,631,699	(62.0%)
Net Income	(\$890,140)	\$401,694	n/a
Per Share (Basic / Diluted)	(\$0.03)	\$0.01	n/a

	March 31, 2009	<i>December 31, 2008</i>	% Growth
Total Assets	\$37,322,551	\$38,971,225	(4.2%)
Current Financing	\$12,379,341	\$9,445,187	31.1%
Total Long-term Financial Liabilities	-	-	n/a

RESULTS OF OPERATIONS

Production

<i>Three months ended March 31</i>	2009	<i>2008</i>	% Growth
	Average	<i>Average</i>	
Crude Oil and NGL (bbls/d)	154	92	67.7%
Natural Gas (mcf/d)	4,306	5,448	(21.0%)
Combined (boe/d)	872	1,000	(12.8%)

Financial

<i>Three months ended March 31</i>	2009	<i>2008</i>	% Growth	2009	<i>2008</i>
				(\$ / boe)	<i>(\$ / boe)</i>
Gross Revenue	\$2,646,289	\$4,730,694	(44.1%)	\$33.72	\$52.01
Royalties	\$462,395	\$1,034,187	(55.3%)	\$5.89	\$11.37
Revenue After Royalties	\$2,183,894	\$3,696,507	(40.9%)	\$27.83	\$40.64
Operating Expenses	\$838,454	\$687,129	22.0%	\$10.68	\$7.55
Operating Netback	\$1,345,440	\$3,009,378	(55.3%)	\$17.14	\$33.09
General & Administrative Expenses	\$261,485	\$308,697	(15.3%)	\$3.33	\$3.39
Interest Expense	\$92,227	\$68,982	33.7%	\$1.18	\$0.76
Non-cash Expenses	\$2,187,331	\$2,022,483	8.2%	\$27.87	\$22.24
Income (Loss) Before Income Taxes	(\$1,195,602)	\$609,216	n/a	(\$15.23)	\$6.70
Income Tax Expense (Recovery)	(\$305,462)	\$207,522	n/a	(\$3.89)	\$2.28
Net Income (Loss)	(\$890,140)	\$401,694	n/a	(\$11.34)	\$4.42
Per Share – Basic	(\$0.03)	\$0.01			
Per Share - Diluted	(\$0.03)	\$0.01			

Revenue

<i>Three months ended March 31</i>	2009	<i>2008</i>	<i>% Growth</i>	2009	2008
				<i>(\$ / boe)</i>	<i>(\$ / boe)</i>
Total Revenue	\$2,646,289	\$4,730,694	(44.1%)	\$33.72	\$52.01

Total revenue decreased 44.1% to \$2,646,289 for the three month period ended March 31, 2009 compared to \$4,730,694 for the same period ended March 31, 2008. Petro-Reef realized an all in price per unit of production for the three month period ended March 31, 2009 of \$33.72 representing a 35.2% decrease compared to the realized price per unit of production of \$52.01 for the same period ended March 31, 2008.

Below is a summary of gross prices realized by Petro-Reef for the three month period ended December 31:

<i>Three months ended March 31</i>	2009	<i>2008</i>	<i>% Change</i>
Crude Oil and NGL (\$ / bbl)	\$43.45	\$93.97	(53.8%)
Natural Gas (\$ / mcf)	\$5.13	\$7.90	(35.1%)

Revenues decreased as a result of a 12.8% decrease in production year over year. Revenue also decreased as a result of a 35.1% decrease in realized natural gas prices. Crude oil prices fell 53.8% during the period, but overall crude oil revenues were higher due to a 67.7% increase in crude oil production during the period.

Royalties

<i>Three months ended March 31</i>	2009	<i>2008</i>	<i>% Growth</i>	2009	2008
				<i>(\$ / boe)</i>	<i>(\$ / boe)</i>
Royalties	\$462,395	\$1,034,187	(55.3%)	\$5.89	\$11.37

Royalties decreased 55.3% to \$462,395 for the three month period ended March 31, 2009 compared to \$1,034,187 for the same period ended March 31, 2008. Royalties on a per unit of production basis decreased 48.2% to \$5.89 for the three month period ended March 31, 2009 compared to \$11.37 for the same period ended March 31, 2008.

Royalties decreased as a result of higher deductions allowed on freehold royalties as well as an increase in the percentage of production which attracts freehold royalties. The lower commodity prices also provided for lower effective Crown royalty rates during the period.

The effective royalty rate fell to 17.3% for the three month period ended March 31, 2009 from 21.9% for the same period ended March 31, 2008.

Operating Expenses

<i>Three months ended March 31</i>	2009	<i>2008</i>	<i>% Growth</i>	2009	2008
				<i>(\$ / boe)</i>	<i>(\$ / boe)</i>
Operating Expenses	\$838,454	\$687,129	22.0%	\$10.68	\$7.55

Operating expenses rose 22.0% to \$838,454 for the three month period ended March 31, 2009 compared to \$687,129 for the same period ended March 31, 2008. Production expenses on a per unit of production basis

increased 41.5% to \$10.68 for the three month period ended March 31, 2009 compared to \$7.55 for the same period ended March 31, 2008.

Operating costs increased during the quarter as a result of higher than expected repairs and maintenance required at the Petro-Reef operated crude oil and natural gas processing facility in Alexander.

General & Administrative Expenses

<i>Three months ended March 31</i>	2009	<i>2008</i>	<i>% Growth</i>	2009	<i>2008</i>
				<i>(\$ / boe)</i>	<i>(\$ / boe)</i>
General & Administrative Expenses	\$261,485	\$308,697	(15.3%)	\$3.33	\$3.39

General & administrative expenses fell 15.3% to \$261,485 for the three month period ended March 31, 2009 compared to \$308,697 for the same period ended March 31, 2008. General & administrative expenses on a per unit of production basis fell 1.7% to \$3.33 for the three month period ended March 31, 2009 compared to \$3.39 for the same period ended March 31, 2008.

During the quarter, Petro-Reef focused efforts on reducing general & administrative expenses through attrition and the laying off of certain staff. Expenditures on a per unit of production basis are expected to remain flat for the remainder of 2009 as Petro-Reef does not anticipate any significant increases in staffing for the balance of the year.

Interest Expense

<i>Three months ended March 31</i>	2009	<i>2008</i>	<i>% Growth</i>	2009	<i>2008</i>
				<i>(\$ / boe)</i>	<i>(\$ / boe)</i>
Interest Expenses	\$92,227	\$68,982	33.7%	\$1.18	\$0.76

Petro-Reef incurred interest expense of \$92,227 for the three month period ended March 31, 2009 compared to interest expense of \$68,982 for the same period ended March 31, 2008. Net interest expense on a per unit of production basis was \$1.18, compared to an interest expense of \$0.76 per unit of production in 2008.

Petro-Reef's interest expense increased as a result of higher debt levels during the period which was partially offset by lower interest rates realized during the period.

Non Cash Expenses

<i>Three months ended March 31</i>	2009	<i>2008</i>	<i>% Growth</i>	2009	<i>2008</i>
				<i>(\$ / boe)</i>	<i>(\$ / boe)</i>
Depletion and Amortization	\$2,101,370	\$1,765,072	19.1%	\$26.78	\$19.41
Accretion Expense	\$24,358	\$14,120	72.5%	\$0.31	\$0.16
Stock-Based Compensation	\$61,603	\$243,291	(74.7%)	\$0.78	\$2.67
Total Non Cash Items	\$2,187,331	\$2,022,483	8.2%	\$27.87	\$22.24

Non cash expenses rose 8.2% to \$2,187,331 for the three month period ended March 31, 2009 compared to \$2,022,483 for the same period ended March 31, 2008. On a per unit of production basis, non cash expenses

increased 25.3% to \$27.87 for the three month period ended March 31, 2009 compared to \$22.24 for the same period ended March 31, 2008.

Depletion and amortization expenses increased 19.1% to \$2,101,370 as a result of capital expenditures incurred over the last year. Stock based compensation fell 74.7% as no new stock options were granted during the quarter.

Income Taxes

<i>Three months ended March 31</i>	2009	<i>2008</i>	<i>% Growth</i>	2009	<i>2008</i>
				(\$ / boe)	<i>(\$ / boe)</i>
Current Tax	\$-	\$-	-	\$-	\$-
Future Tax	(\$305,462)	\$207,522	n/a	(\$3.89)	\$2.28
Total Income Taxes	(\$305,462)	\$207,522	n/a	(\$3.89)	\$2.28

Non-cash income tax recovery was \$305,462 for the three month period ended March 31, 2009 compared to an expense of \$207,522 for the same period ended March 31, 2008. On a per unit of production basis, income tax recovery was \$3.89 for the three month period ended March 31, 2009 compared to an expense of \$2.28 for the same period ended March 31, 2008.

LIQUIDITY AND FINANCIAL CONDITION

	March 31, 2009	<i>December 31, 2008</i>
Working Capital	(\$12,582,823)	(\$12,589,011)
Oil and Gas Properties	\$35,472,910	\$36,599,536

Petro-Reef's working capital deficit at March 31, 2009 was \$12,582,823 compared to a deficit of \$12,589,011 at December 31, 2008. Included in the working capital deficit was \$12,379,341 in outstanding bank lines of credit which is included in current liabilities. Petro-Reef's bank credit facility is structured as a \$14,000,000 revolving operating demand loan and a \$4,000,000 non-revolving acquisition / development demand loan. As at March 31, 2009, Petro-Reef Resources Ltd. was in compliance with its bank covenants.

Recent developments in the current financial markets have affected the ability of Petro-Reef to obtain financing outside of available cash flow and bank lines of credit. Although commodity prices have fallen significantly from highs reached in July 2008, with a low cost structure (royalties, operating and general & administrative expenses), Petro-Reef is confident in its abilities to generate sufficient cash flow to continue with its capital development strategy. Petro-Reef's bank line was reviewed by our senior lender in September and is scheduled for an annual review in early June 2009. With the weakness in the financial markets, access to equity by Petro-Reef at terms which would be reasonable to the Corporation is unavailable. As a result, Petro-Reef's go forward capital expenditures program does not depend on any cash injections from an equity offering.

In the event the current financial crisis deepens, Petro-Reef's capital expenditure program is scalable, allowing for cancellation of projects with no material financial effect on the Corporation.

Based on forecast cash flows from operations and available bank credit financing, Petro-Reef is confident in its ability to fund ongoing capital and operating expenditures.

Capitalized resource properties as at March 31, 2009 were \$35,472,910 net of accumulated depletion, compared to \$36,599,536 as at December 31, 2008. Oil and gas properties increased as a result of continued development of oil and gas properties, the construction of infrastructure and the acquisition of undeveloped land. For the three month period ended March 31, 2009 Petro-Reef incurred \$954,742 in net capital expenditures.

Cash Flow From Operations

For the three month period ended March 31, 2009, Petro-Reef generated cash flows from operations of \$1,001,361 (\$0.03 per basic / diluted share), a decrease of 62.0% compared to \$2,631,699 (\$0.08 per basic share) for the three month period ended March 31, 2008. Cash flow from operations decreased as a result of lower production and lower commodity prices realized during the quarter.

Cash flow from operations, representing cash generated from operating activities before changes in non-cash working capital items, is a non-GAAP measure. Management utilizes cash flow as a key measure to assess the ability of the Corporation to finance operating activities and capital expenditures. In addition, cash flow has been described and presented in order to provide shareholders and potential investors with information regarding the Corporation's liquidity and its ability to generate funds to finance its operations. This performance indicator may not be comparable to similar measures used by other companies.

<i>Three months ended March 31</i>	<i>2009</i>	<i>2008</i>
Net Income For The Period	(\$890,140)	\$401,694
Future Income Tax Provision	(\$305,462)	\$207,522
Unrealized Loss on Financial Instruments	\$9,632	-
Accretion Expense	\$24,358	\$14,120
Stock-Based Compensation	\$61,603	\$243,291
Depletion And Amortization	\$2,101,370	\$1,765,072
Cash Flow From Operations	\$1,001,361	\$2,631,699

Capital Resources

The Corporation's share capital is as follows:

	<i>March 31, 2009</i>		<i>December 31, 2008</i>	
	<i>No. of Shares</i>	<i>Amount</i>	<i>No. of Shares</i>	<i>Amount</i>
Common Shares	34,122,541	\$18,109,233	34,161,541	\$18,130,397

For the three month period ended March 31, 2009, no stock options were exercised.

Commencing in October 2008, Petro-Reef commenced with a normal course issuer bid whereby Petro-Reef had the ability to purchase up to 1,729,452 common shares of the Corporation. For the period ended March 31, 2009, Petro-Reef acquired 39,000 shares for total proceeds of \$10,365 (\$0.27 / share). All shares repurchased have been cancelled. As a result of the transaction, share capital was reduced by \$20,741 while contributed surplus increased by \$10,365.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation does not have any off-balance sheet arrangements.

OUTLOOK

The economic crisis affecting the global economy continues to put pressure on Petro-Reef and its ability to grow production and cash flow. Realizing that the status quo was not an option, Petro-Reef commenced with a review of strategic alternatives in an attempt to maximize shareholder value. Since announcing the review, Petro-Reef has engaged CIBC World Markets as its exclusive financial advisor. As of the day of this report, no transaction has been agreed to or contemplated and no particular course of action has been recommended by the board and no time frame has been set for the completion of the review of strategic alternatives.

RELATED PARTY TRANSACTIONS

All related party transactions are in the normal course of operations and have been measured at the agreed to exchange amounts, which is the amount of consideration established and agreed to by the related parties.

During the period ended March 31, 2009, the Corporation purchased engineering services in the amount of \$87,068 (March 31, 2008 - \$407,567) from a corporation controlled by a Director of the Corporation. The Corporation also purchased professional services in the amount of \$6,325 (March 31, 2008 - \$23,313) from a law firm which a Director of the Corporation is a partner of. The Corporation also purchased land consulting services in the amount of \$12,943 (March 31, 2008 - \$7,536) from a land consulting firm controlled by a relative of two Directors of the Corporation. At March 31, 2009, Petro-Reef had a payable of \$32,365 owed to all parties included in the Corporation's accounts payable.

COMMITMENTS

The present office lease agreement expires on December 31, 2011. Future lease payments to the end of the lease term under the Corporation's office lease are as follows:

2009	\$63,194
2010	\$86,762
2011	\$65,070

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with GAAP requires the Corporation to make assumptions, judgments and estimates that may have a significant impact on the financial statements. Estimates are reviewed periodically and as adjustments become necessary they are reported in earnings in the periods in which they become known.

ACCOUNTING STANDARDS

Effective January 1, 2008, the Corporation was required to adopt the CICA Handbook Section 1506 - Accounting Changes that provides expanded disclosures for changes in accounting policies, accounting estimates and corrections of errors. Under the new standard, accounting changes should be applied retroactively unless otherwise permitted or where the effect is impracticable to determine. As well, voluntary changes in accounting policy are made only when required by a primary source of GAAP or the change results

in more relevant and reliable information. The adopted accounting standard did not have any effect on the Corporation.

As of January 1, 2008, the Corporation was required to adopt two new CICA standards, Section 3862 – Financial Instruments – Disclosures, and Section 3863 – Financial Instruments – Presentation, which will replace Section 3861 – Financial Instruments – Disclosure and Presentation. The new disclosure standard increases the emphasis on the risks associated with both recognized and unrecognized financial instruments and how those risks are managed. The new presentation standard carries forward the former presentation requirements.

As of January 1, 2008, the Corporation adopted CICA Handbook Section 1535 – Capital Disclosures, which requires entities to disclose objectives, policies and processes for managing capital, and in addition, whether the entity has complied with any externally imposed capital requirements.

Section 1400 – “General Standards of Financial Statement Presentation”, effective for interim periods beginning on or after January 1, 2008, to include requirements to assess and disclose the Corporation’s ability to continue as a going concern. The adoption of this new section did not have an impact on the financial statements.

FUTURE POLICIES

International Financial Reporting Standards (“IFRS”)

In February 2008, the CICA’s Accounting Standards Board confirmed that IFRS will replace Canadian GAAP in 2011 for profit oriented Canadian publicly accountable enterprises. Petro-Reef will be required to report its results in accordance with IFRS beginning in 2011. The Corporation has engaged external advisors to assist in the development and execution of a changeover plan to complete the transition to IFRS by January 1, 2011, including the preparation of required comparative information.

The key elements of Petro-Reef’s changeover plan will include:

- determine appropriate changes to accounting policies and required amendments to financial disclosures;
- identify and implement changes in associated processes and information systems;
- comply with internal control requirements;
- communicate collateral impacts to internal business groups; and
- educate and train internal and external stakeholders.

The Corporation is currently analyzing accounting policy alternatives and identifying implementation options for the corresponding process changes. Petro-Reef will update its IFRS changeover plan to reflect new and amended accounting standards issued by the International Accounting Standards Board. As IFRS is expected to change prior to 2011, the impact of IFRS on the Corporation’s Consolidated Financial Statements is not reasonably determinable at this time.

SELECTED QUARTERLY INFORMATION

	2009		2008	
	Q1	Q4	Q3	Q2
Total Revenue	\$2,646,289	\$3,347,635	\$4,501,683	\$6,294,649
Cash flow	\$1,001,361	\$1,040,310	\$2,411,635	\$3,394,919
Net Income (Loss)	(\$890,140)	(\$776,824)	\$453,787	\$884,916
Net Income (Loss) Per Share	(\$0.03)	(\$0.02)	\$0.01	\$0.02
Capital Expenditures	\$954,742	\$4,386,938	\$3,391,583	\$1,811,045
Total Assets	\$37,322,551	\$38,971,225	\$36,719,035	\$34,682,220
Shareholders Equity	\$20,137,718	\$20,977,053	\$21,805,557	\$20,594,571
Avg. Daily Production (boe/d)	872	878	871	1,098

	2008		2007	
	Q1	Q4	Q3	Q2
Revenue	\$4,730,694	\$1,957,256	\$1,795,473	\$2,228,590
Cash flow	\$2,631,699	\$779,831	\$951,444	\$1,104,425
Net Income (Loss)	\$401,694	(\$665,008)	(\$199,246)	\$62,025
Net Income (Loss) Per share	\$0.01	(\$0.02)	(\$0.01)	\$0.00
Capital Expenditures	\$13,110,324	\$3,126,358	\$2,960,159	\$2,190,597
Total Assets	\$35,324,313	\$28,603,828	\$26,488,367	\$26,691,045
Shareholders Equity	\$19,369,032	\$19,483,847	\$19,473,249	\$19,347,503
Avg. Daily Production (boe/d)	1,000	771	595	544

**PETRO-REEF RESOURCES LTD.
CORPORATE INFORMATION**

DIRECTORS AND OFFICERS

Theodore M. Donhuysen ^{(4) (5)}
Chief Executive Officer
President & Director
Calgary, Alberta

John R. Pantazopoulos ⁽⁵⁾
Chief Financial Officer & Director
Vice President Finance
Calgary, Alberta

Larry A. Ness
Vice President Engineering
Calgary, Alberta

Richard W. DeVries ⁽¹⁾⁽²⁾
Director
Freeport, The Bahamas

Jack P. Donhuysen ⁽³⁾⁽⁴⁾
Director
Calgary, Alberta

Alan P. Hallman ^{(1) (2) (3)}
Director
Calgary, Alberta

Peter A. Lubey ^{(1) (4)}
Director
Calgary, Alberta

Huba A. Sebo
Director
Calgary, Alberta

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Director
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Bank

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Calgary, Alberta T2P 4M9

Registrar and Transfer Agent

CIBC Mellon Trust Corporation
600, 333 - 7th Avenue S.W.
Calgary, Alberta T2P 2Z1

Stock Listing

TSX Venture Exchange
Trading Symbol: **PER**

- (1) Member of the Audit Committee
- (2) Member of the Compensation Committee
- (3) Member of the Governance Committee
- (4) Member of the Reserves Committee
- (5) Member of the Management Committee