Positioned for Growth

Annual General Meeting - 2010

Forward-Looking Statements

Forward-Looking Statements: All statements, other than statements of historical fact, set forth, including without limitation, assumptions and statements regarding reservoirs, resources and reserves, future production rates, exploration and development results, financial results, and future plans, operations and objectives of the corporation are forward-looking statements that involve substantial known and unknown risks and uncertainties. Some of these risks and uncertainties are beyond management's control, including but not limited to, the impact of general economic conditions, industry conditions, fluctuation of commodity prices, fluctuation of foreign exchange rates, environmental risks, industry competition, availability of qualified personnel and management, availability of materials, equipment and third party services, stock market volatility, timely and cost effective access to sufficient capital from internal and external sources. The reader is cautioned that assumptions used in the preparation of such information, although considered reasonable by the corporation at the time of preparation, may prove to be incorrect. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

Note: BOE may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Investment Highlights

- **Experienced management team**

- **Consistent production growth**
  - ➢ Five years of consistent production growth
  - ➢ Forecasted 2010 exit production 100% increase from 2009

- **Concentrated asset base**
  - One core area with 40+ sections of land (85% WI)
  - Represents 100% of production / reserves

- **Multi-year drilling inventory**
  - ➢ Downspacing application to be approved allowing for the drilling of over 100 potential development oil drilling locations
  - ➢ High-impact exploration natural gas opportunities

Business strategy

- **Guiding principles in operations**
  - Drill quality exploration prospects with multi-zone potential
  - Target 10:1 profit to capital risk ratio
  - Minimum 30% rate of return on capital invested

- **Apply diversified geoscience approach**
  - Use 2-D / 3-D seismic to identify drilling locations
  - Apply state of the art proprietary seismic shooting and processing techniques
  - Understand the lithology and mineralogy through core analysis and detailed sample work

- **Operate production and capital projects**
  - Operate core area of Alexander

- **Prudently use debt**
  - Debt / 2010 cash flow estimated at 1.3:1

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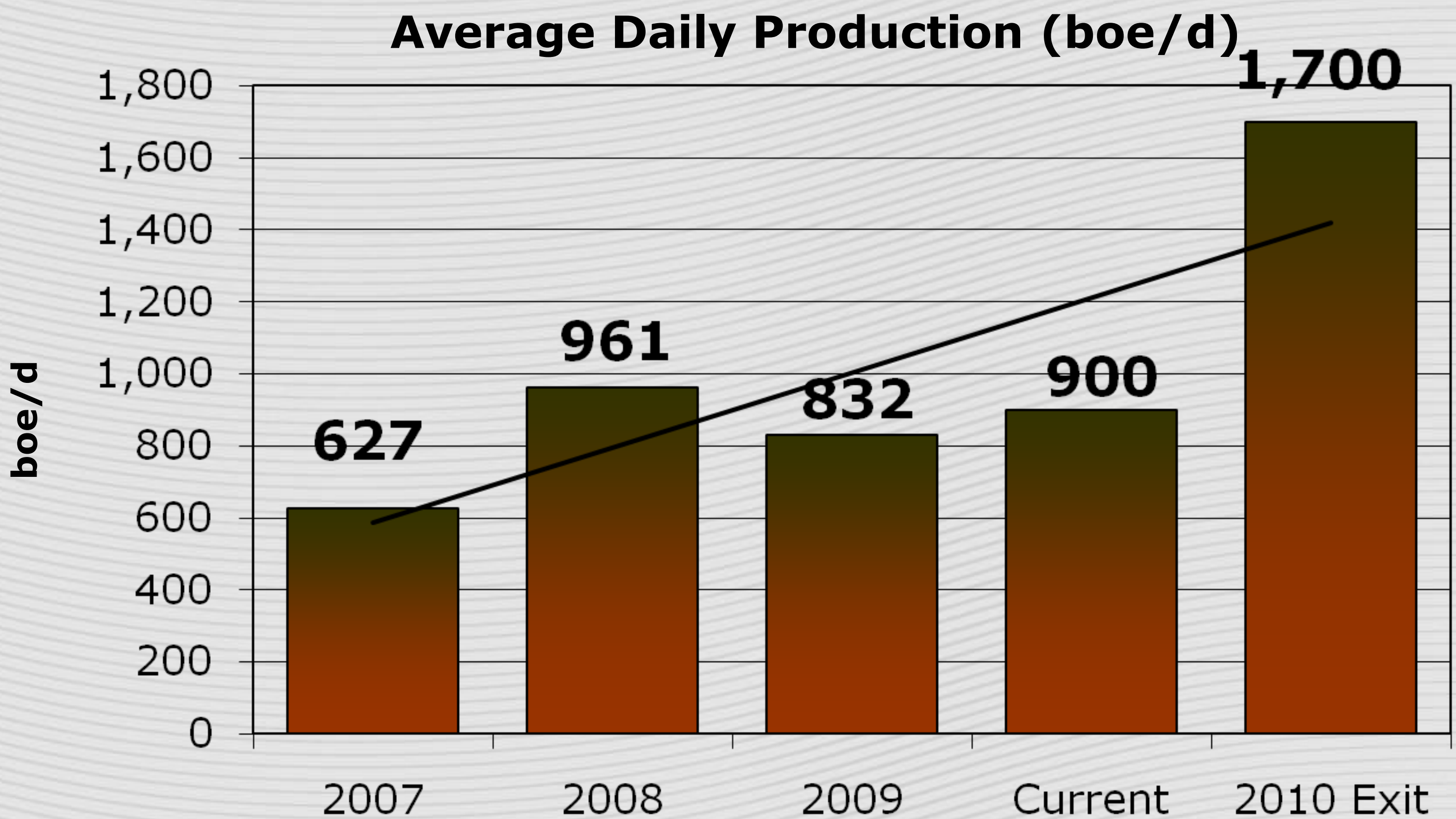
Performance – Average Daily Production

Petro-Reef has demonstrated strong growth year over year



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Management Team

Theodore M. Donhuysen – President & CEO

- 41 years experience
- Geological / operational expertise

Larry A. Ness P. Eng. – Vice President, Engineering

- 31 years experience
- Engineering / operational expertise

John R. Pantazopoulos CFA – VP Finance & CFO

- 11 years experience
- Financial expertise

Board of Directors

Theodore M. Donhuysen – Vice President E&P and COO

John R. Pantazopoulos– Vice President Finance and CFO

N. Gary Van Nest – Independent businessman

Alan P. Hallman – Independent businessman

Peter A. Lubey – Former VP Engineering, Buffalo Resources Corp.

Al Rasmuson – Independent businessman (Former Amoco)

Capitalization

Capitalization

Shares Outstanding (Basic):	39.1 million
Management, Directors, & Insiders:	12% ownership
Options:	3.25 million @ $0.85
Warrants:	5.0 million @ $0.40
Recent Share Price:	$0.37
Market Capitalization:	$14.5 million
Bank Debt (Current):	$13.0 million
Current Production (boe/d)	900 (150 bbls/d oil)
Behind Pipe Production (boe/d)	350 (200 bbls/d oil)
Current Valuation ($ / boe / d)	$30,500
Valuation Including Behind Pipe ($ / boe / d)	$22,000

Petro-Reef trades on the TSX Venture under the symbol **PER**

Petro-Reef's Core Areas

- **Concentrated Asset Base**
- **Alexander/Qui Barre**
  - 99% of production
  - Operated
- **Peavey/Morinville/Other**
  - 1% of production
  - Non-operated

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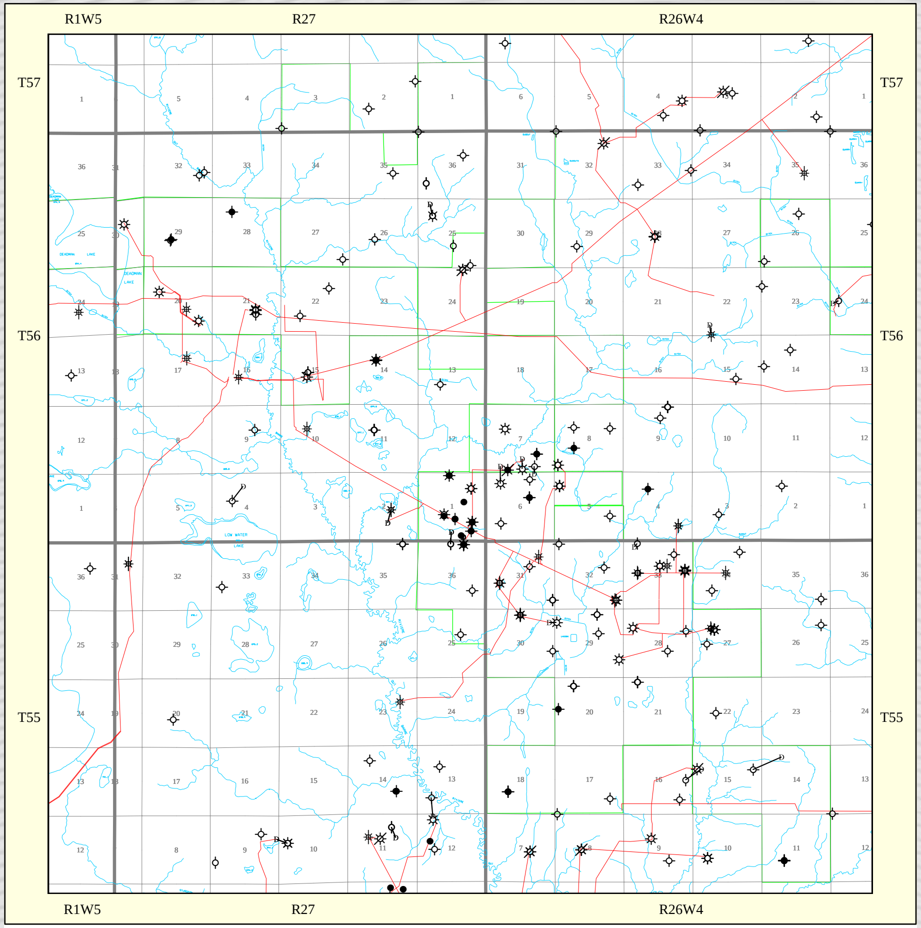
Alexander/Qui Barre

- Approximately 40 gross (37 net) sections
- 99% of production / reserves
- 85% average working interest
- Operated
- Own key infrastructure
- 65% Freehold lands (lower royalties vs. Crown)
- Multi-zone exploration and development oil and gas potential



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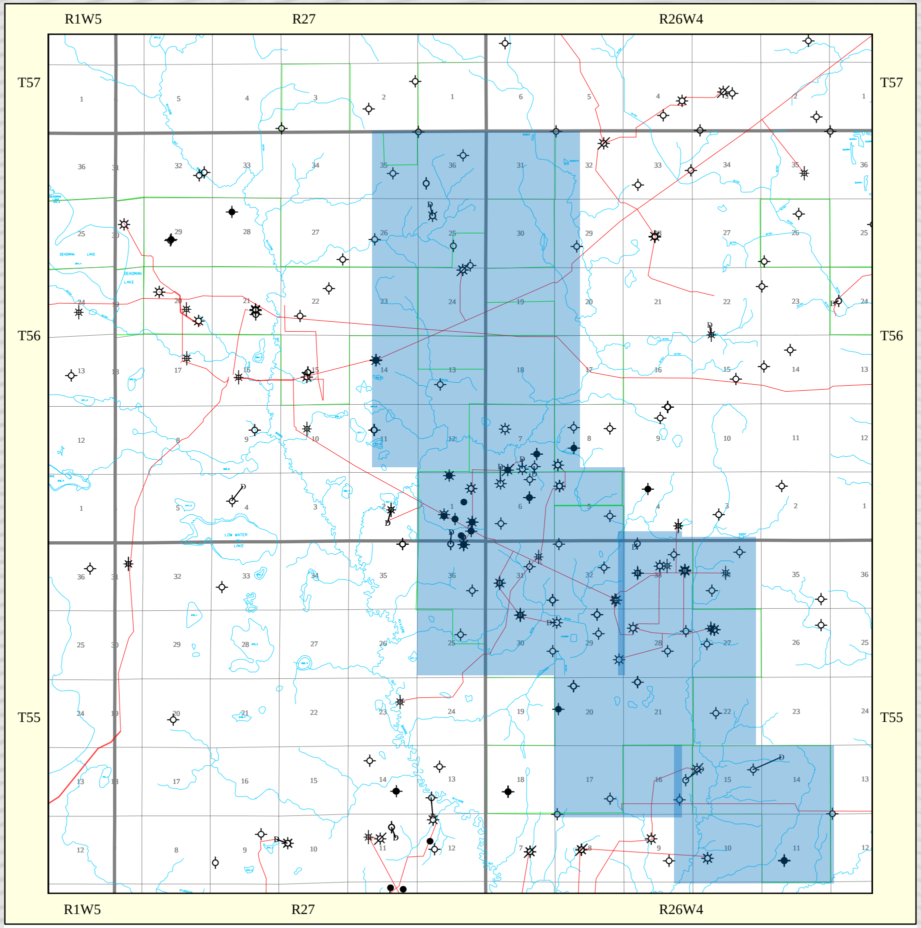
Alexander/Qui Barre – Seismic Control

- Extensive proprietary 3D seismic coverage over most of Petro-Reef's acreage with significant 2D coverage over the southern acreage



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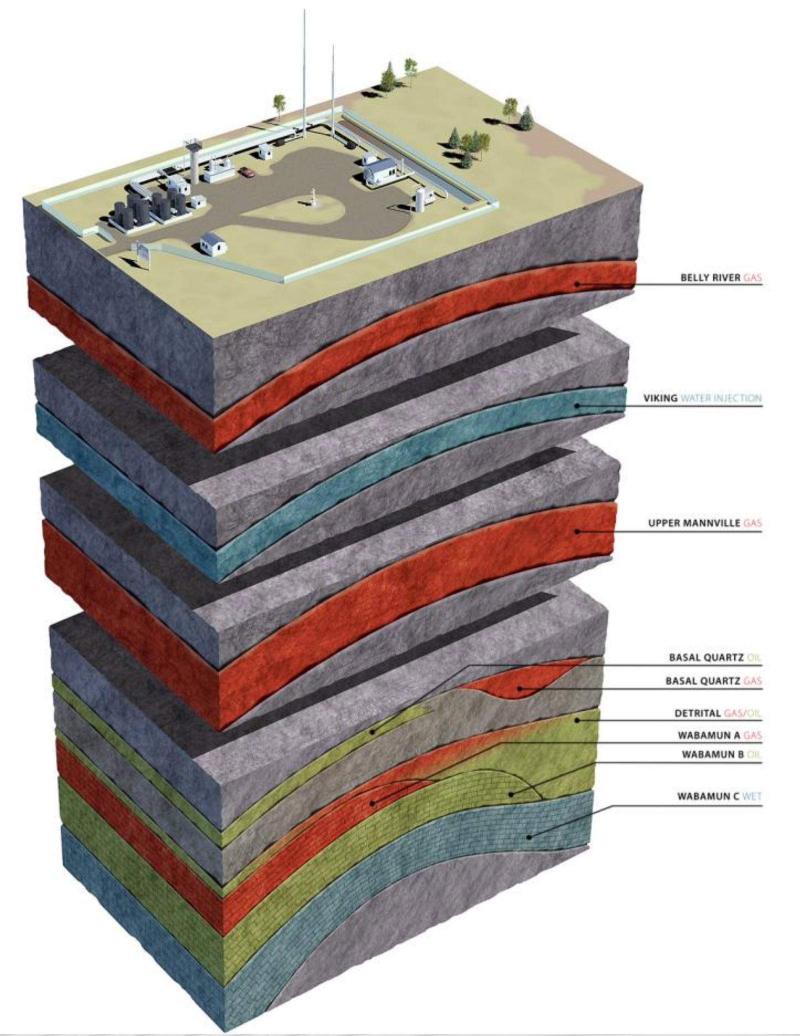
Multi-zone Potential

- Seven potential horizons available in the area
  - Wabamun B
  - Wabamun A
  - Detrital
  - Basal Quartz
  - Calahoo
  - Barrhead
  - Upper Cretaceous Belly River
- Currently producing from seven different horizon’s in Alexander



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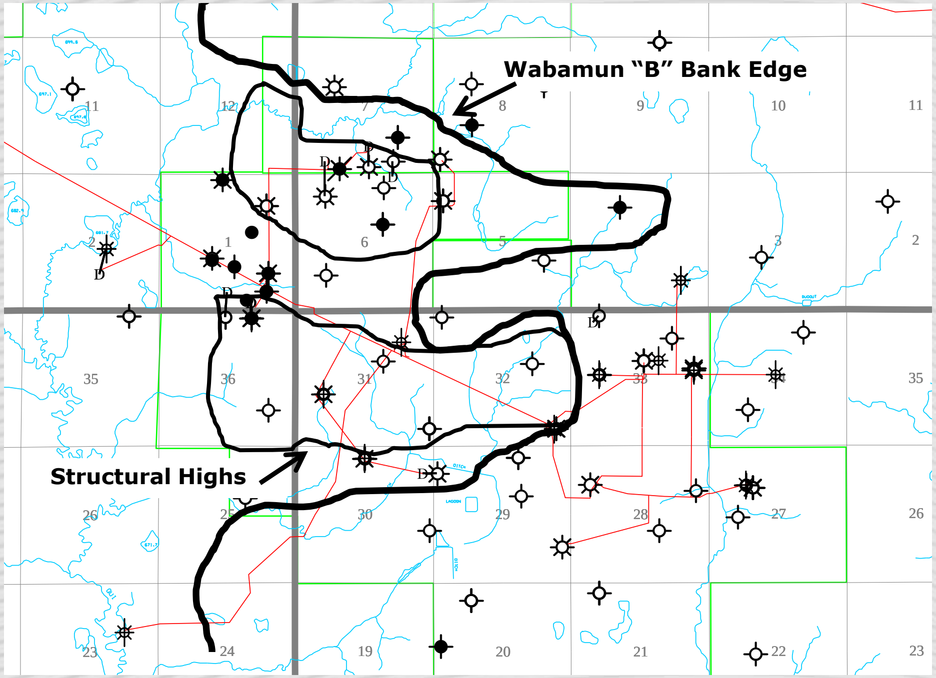
Development Oil – Wabamun "B"

- Thick sucrosic dolomite bank development ranging in gross thickness from 50 to 100 feet
- Up to 50 to 60 feet (gross) pay per section
- 26 degree API sour oil zone
- Present over 75% of Petro-Reef's Alexander / Qui Barre acreage in 2 separate bank complexes
- 20+ drilling locations identified with over 1,000 boe/d of production potential
- 3 wells (one on each reef) to be drilled in the next 3-4 months
- Five sections approved for downspacing



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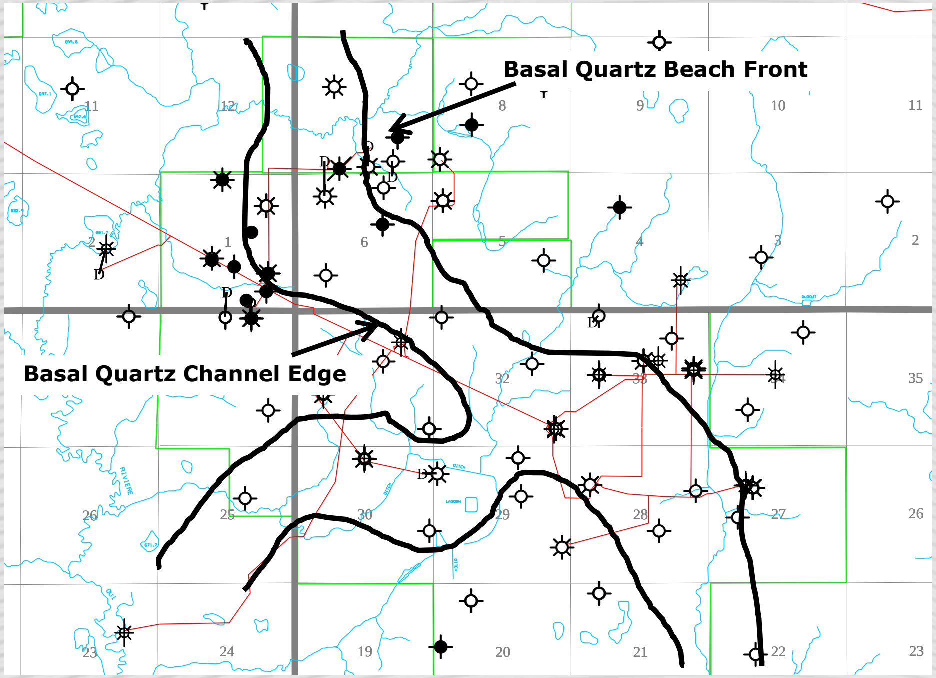
Development Gas – Basal Quartz

- Northwest-Southeast trending beach sand development
- Up to 80 feet thick
- Highly porous (28%), permeable clean sand
- Analog well AOF (absolute open flow) tested at 11 MMcf/d, currently producing 2.0 MMcf/d with minimal pressure drop after 4.25 years
- Produced 3.2 bcf with 2.7 bcf remaining



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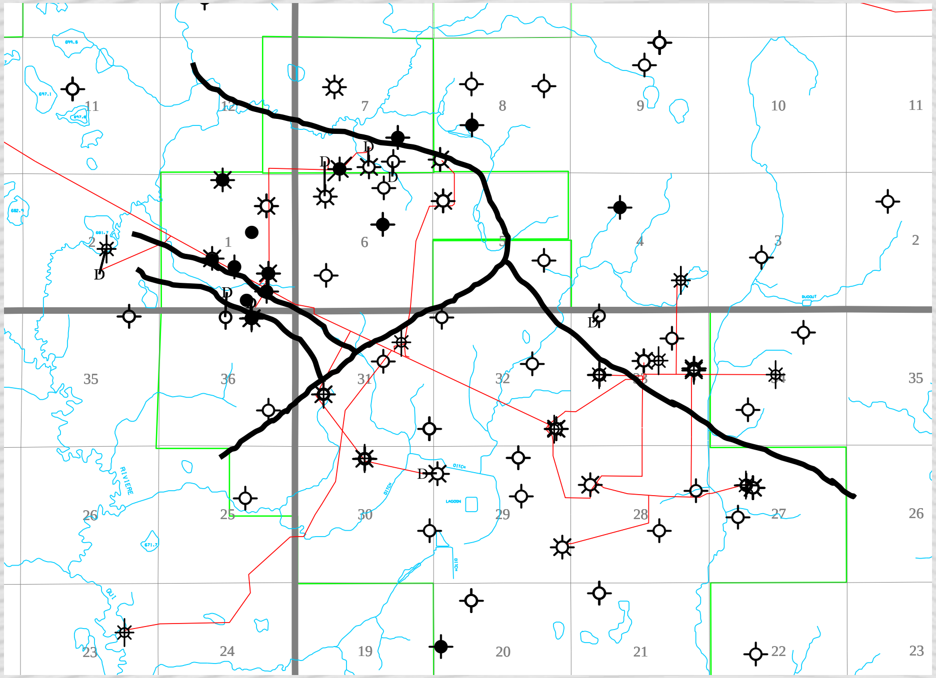
Development Oil – Calahoo

- Immediately overlying the Basal Quartz "A" zone
- Gas production in southern acreage with oil production immediately north
- High quality 35.6 degree API oil
- 50 boe/d typical well
- 20+ locations identified with over 1,000 boe/d potential
- Application for downspacing of five sections approved by the ERCB



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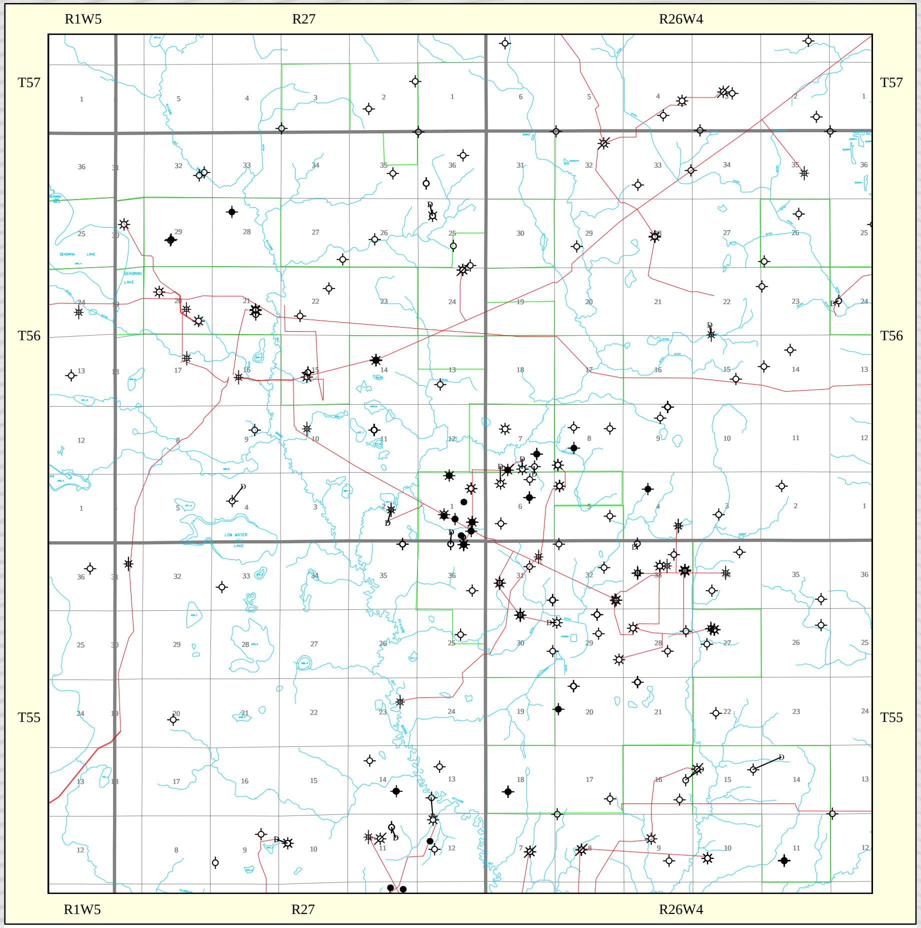
Detrital Channel

- Recent exploration success identified significant Detrital oil discovery
- Discovery well tested at over 250 bbls/d of crude oil and 1.0 mmcf/d
- Discovery well on freehold lands (10% royalty)
- Production addition of 200 boe/d (100 bbls/d crude) expected in Q3 - 2010
- Follow-up locations identified, using proprietary 3D seismic to be drilled in second half 2010



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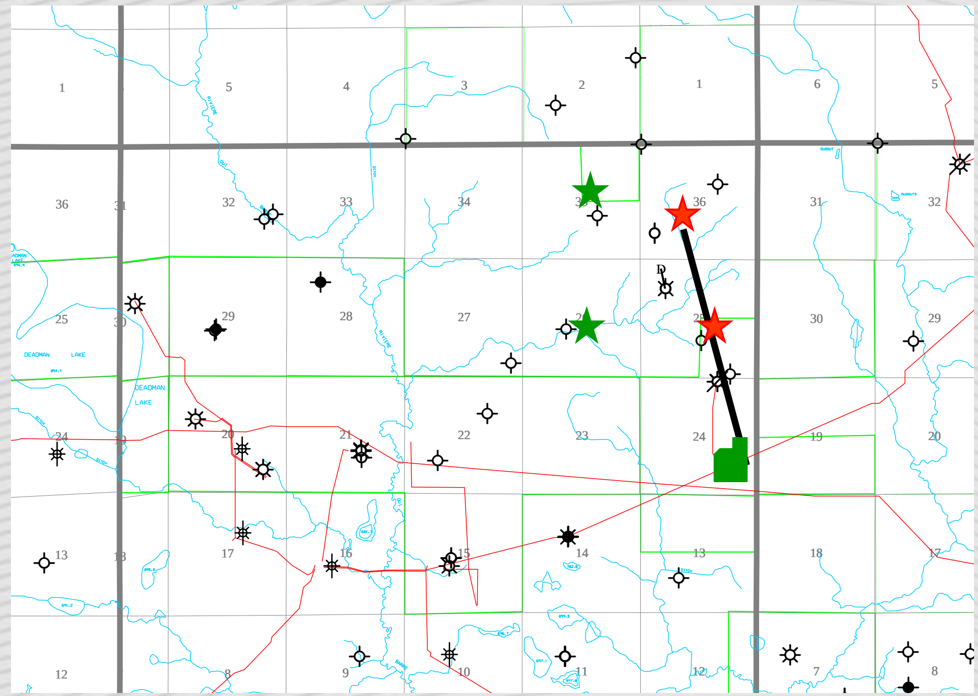
Development Drilling - IRR

- Petro-Reef's "Resource Play" development oil opportunity generates a rate of return of >100% at today's commodity prices
- Drill / completion costs of approximately $600,000 produces approximately 50 boe/d
  - 40+ locations identified, majority of which are on freehold lands

		Initial Production (bbls/d)							
	0%	25	30	35	40	45	50	55	60
Price of Crude Oil ($ / bbl)	$55.00	n/a	n/a	n/a	7.1%	18.2%	28.9%	39.5%	50.2%
	$60.00	n/a	n/a	10.9%	22.5%	34.1%	45.8%	57.8%	70.3%
	$65.00	n/a	10.5%	23.1%	35.7%	48.5%	61.9%	75.7%	90.2%
	$70.00	6.7%	20.4%	34.0%	48.1%	62.6%	77.8%	93.8%	110.7%
	$75.00	14.9%	29.6%	44.6%	60.2%	76.7%	94.1%	112.5%	132.0%
	$80.00	22.4%	38.4%	55.0%	72.5%	91.1%	110.8%	131.8%	154.3%
	$85.00	29.7%	47.1%	65.5%	85.0%	105.8%	128.2%	152.1%	177.8%
	$90.00	36.8%	55.8%	76.1%	97.8%	121.1%	146.3%	173.4%	202.7%
	$95.00	43.9%	64.6%	86.9%	110.9%	136.9%	165.2%	195.8%	228.9%

Exploration Upside – Northern Block

- Largely contiguous land spread (majority freehold) (100% WI)
- Significant exploration drilling success in 2010
  - Two wells currently producing at 150 boe/d (100% WI)
- Several follow-up development locations identified
- 2 high impact exploration locations scheduled to be drilled in 2010
- Seismically defined by large proprietary 3-D seismic survey



Exploration drilling location

Petro-Reef discovery wells

Petro-Reef pipeline

Petro-Reef facility

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Summer Drilling Program

- Petro-Reef is in the process of licensing six key wells which, upon success, have the ability to double production

Exploration Locations						
Location	**Royalty**	**Depth (m)**	**Drill / Complete / Equip Cost (after Royalty Rebate)**	**Working Interest**	**Primary Target**	**Production Potential**
7-26	Freehold	1,250	$800,000	100%	Oil / Gas	100 - 200 boe/d
10-35	Freehold	1,250	$800,000	100%	Oil / Gas	100 - 200 boe/d
	Total Exploration:		$1,600,000			
Development Locations						
10-07	Freehold	1,250	$700,000	79%	Oil	100 - 200 boe/d
06-07	Freehold	1,250	$700,000	79%	Oil	100 - 200 boe/d
11-06	Crown	1,250	$650,000	94%	Oil	50 - 100 boe/d
12-31	Freehold	1,250	$750,000	90%	Oil	50 - 100 boe/d
	Total Development:		$2,800,000			
	Total Facilities:		$1,500,000			
	Total Capital Expenditures:		$5,900,000			
				Production Potential:		**500 - 1,000 boe/d**

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2010 Outlook

- Drill 7-9 multi-zone development oil locations
  - Seven development wells / two “high impact” exploration locations in north block
  - Significant inventory of development opportunities remain, which can be pursued if commodity / capital markets improve
- Prudently incur capital expenditures
  - Forecasted capital expenditures to equal cash flow
  - Maintain debt levels to <2.0x forecasted cash flow (target 1.0x)
- Carefully expand existing infrastructure to manage growth
  - Control infrastructure in area (oil / gas processing / transportation)
  - Prudently expand water injection / oil battery to manage growth from development oil wells
- Average 2010 production – 1,200 - 1,400 boe/d (70% increase)
- Exit 2010 production – 1,500 - 1,700 boe/d (100% increase)
- Continue to acquire Freehold acreage providing a competitive advantage relative to adjacent Crown lands

Why Invest in Petro-Reef?

- Experienced management team
- Proven success growing production
- Concentrated asset base
- Multi-year drilling inventory (oil and gas)
- Control of infrastructure
- Significant freehold acreage (low royalty rates)

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Historical Financials

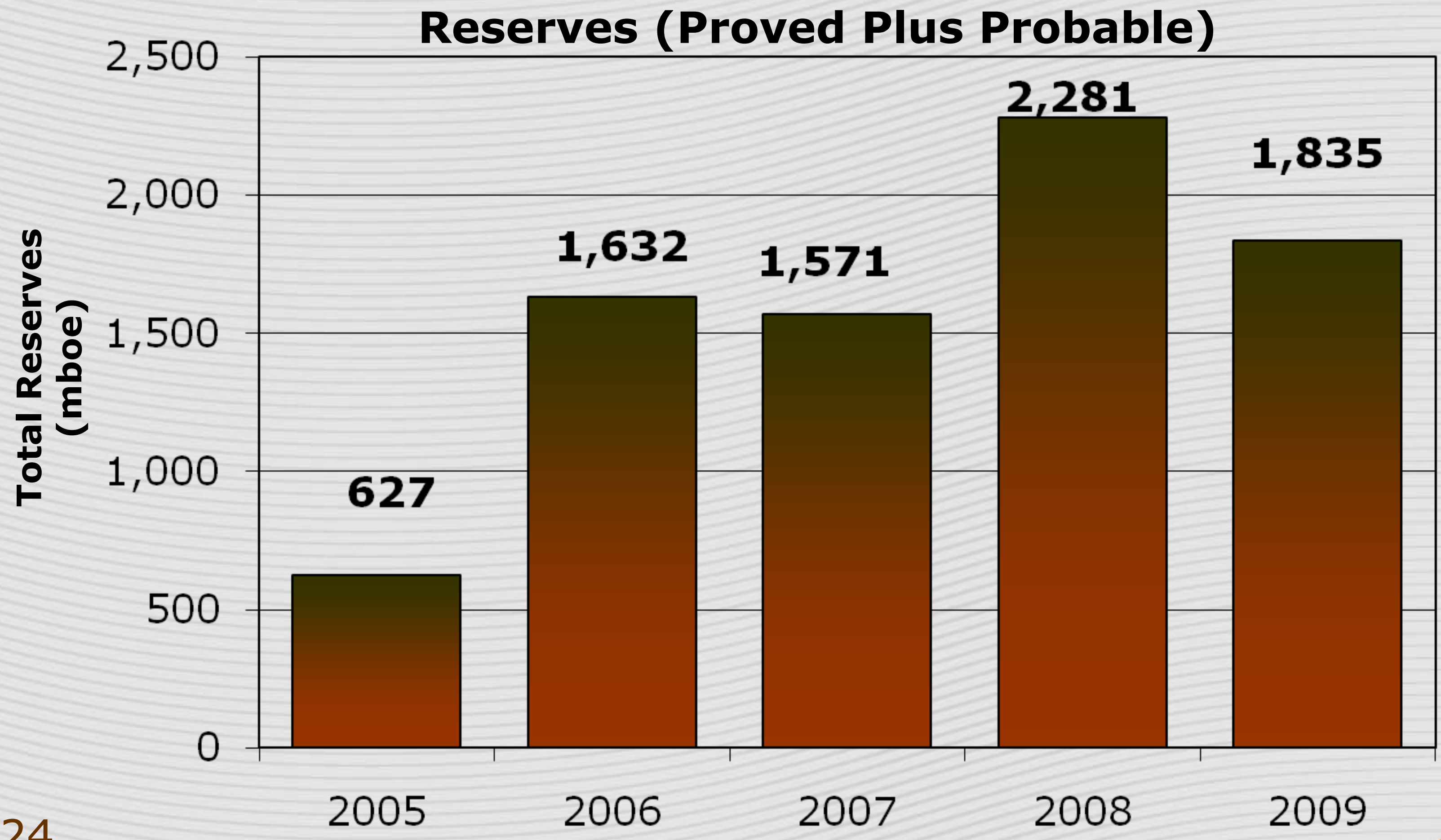
Historical Netback Summary

(All $ values in thousands, unless specified otherwise)

	2005	2006	2007	2008	2009
Production (boe/d)	182	454	627	961	832
Revenue	$3,951	$7,157	$9,268	$18,875	$9,313
Royalties	$727	$1,407	$1,406	$3,743	$910
Operating Expenses	$758	$1,503	$1,797	$3,294	$3,655
Net Operating Income	$2,466	$4,247	$6,065	$11,838	$4,747
Cash Flow From Operations	$2,008	$3,557	$4,403	$9,445	$3,191
Royalty Rate (%)	18%	20%	15%	20%	10%
Capital Expenditures	$2,375	$7,888	$10,757	$22,695	$4,542

Year End Reserves

Additions through the drill bit and strategic acquisitions



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