

Petro-Reef Resources Ltd. Releases Q3-2007 Results

Calgary, Alberta, November 20, 2007 – Petro-Reef Resources Ltd. (TSX-V: PER),

Petro-Reef Resources Ltd. (“Petro-Reef”) is pleased to announce financial and operating results for the three and nine month periods ended September 30, 2007.

Selected Third Quarter Information

Financial

<i>Three months ended September 30</i>	<i>2007</i>	<i>2006</i>	<i>% Growth</i>
Gross Revenues	\$1,795,473	\$1,190,883	50.8%
Cash Flow From Operations	\$951,444	\$590,330	61.2%
Cash Flow Per Share (Basic)	\$0.03	\$0.03	-
Capital Expenditures	\$2,960,159	\$2,478,043	19.5%
Cash and Short-Term Investments	\$6,012,225	\$846,062	610.6%
Total Assets	\$26,497,285	\$15,056,446	76.0%
Shareholder Equity	\$19,473,249	\$7,003,587	178.0%

Revenues increased by 50.8% due to a 75.9% increase in production even though Petro-Reef’s realized natural gas price during the quarter fell to \$5.12 / mcf, a 13.7% decrease from the previous year. Cash flow from operations increased 61.2% as a result of higher revenues and lower operating costs on a per unit of production basis. Operating costs during the quarter fell 34.0% on a per unit of production basis due to higher production volumes being processed through previously underutilized Petro-Reef facilities and pipelines. Cash flow from operations for the nine month period ended September 30, 2007 of \$3,623,304 exceeded cash flow from operations generated for all of 2006.

Petro-Reef continues to maintain a strong balance sheet. At September 30, 2007, Petro-Reef had cash and short-term investment holdings of \$6,012,225, with a positive working capital position of \$2,344,731. Petro-Reef incurred capital expenditures of \$2,960,159 during the quarter, focused on exploration drilling and the completion of key infrastructure projects. As a result of exploration expenditures to date, Petro-Reef has met all of its exploration spending commitments relating to its April 2007 flow-through equity issue.

Operational

<i>Three months ended September 30</i>	<i>2007</i>	<i>2006</i>	<i>% Growth</i>
	<i>Average</i>	<i>Average</i>	
Crude Oil and NGL (bbls/d)	27	28	(3.0%)
Natural Gas (mcf/d)	3,406	1,861	83.0%
Combined (boe/d)	595	338	75.9%

Petro-Reef increased production by 75.9% to 595 boe/d during the quarter. Subsequent to the quarter end, Petro-Reef brought onstream a new well located at 13-6 in Alexander at a rate of 3.5 mmcf/d (59% working interest Petro-Reef). As a result of the addition of the 13-06, current production is estimated to be approximately 900 boe/d.

During the third, a major central plant facility was constructed at 08-01, beginning operations on July 5, 2007. Plant operations include compression, dehydration, separation and water disposal. Smaller existing compressors were replaced or relocated as a result of the plant being operational allowing for a reduction in operating costs and a centralization of operating activities.

Outlook

Petro-Reef entered the fourth quarter of 2007 with several exploration and recompletion drilling opportunities. In October 2007, Petro-Reef commenced drilling a deep exploration test at 15-29 in Alexander, Alberta. The 15-29 well is targeting reef prospects in the Devonian formation which have been identified by the interpretation of 3-D seismic. Production casing has been set and the Corporation plans to production test the well in the next 30 days. Depending on the success of the 15-29 drill, Petro-Reef has identified several follow-up locations offsetting 15-29 including land that was purchased by Petro-Reef at a September land sale where the Corporation has a 94% working interest in the recently acquired lands

Petro-Reef recently drilled a well at 5-6 in Alexander targeting a shallower natural gas formation. Production casing has been set and the well is expected to be tested in the next 30 days.

Petro-Reef has focused significant capital resources towards the construction of key infrastructure in its core area of Alexander. The completion of the natural gas compression and dehydration facility located at 8-1 in Alexander is the centerpiece of the Corporation's infrastructure system. At 8-1, Petro-Reef is in the process of constructing a prorationing crude oil battery, the construction of which will allow for further infill crude oil development drilling. Petro-Reef has identified several development crude oil locations and intends to begin to proceed with a crude oil development drilling program upon the completion of the prorationing crude oil battery.

Petro-Reef's compressor located at 8-1 is currently running close to its capacity. Depending on the success of the Corporation's exploration drilling, Petro-Reef may be required to twin the existing 1,265 hp compressor at the 8-1 facility to process incremental production. Petro-Reef is currently reviewing the economics of twinning gathering lines heading into the 8-1 natural gas facility. Twinning of the gathering line will allow the Corporation to maximize production from lower pressure natural gas wells which experienced a reduction in production due to backing out which occurred when the Corporation brought onstream higher pressure / higher deliverability natural gas wells.

On October 25, 2007, the Province of Alberta announced its intention to significantly alter the Crown royalty regime for both natural gas and crude oil. While the increase in royalties is significant and material, Petro-Reef does not expect a significant decrease in future net revenues as the majority of the Corporation's wells currently pay freehold royalties (approximately 2/3 of all royalties payable by the Corporation are on freehold lands). If the Crown increases freehold mineral taxes (currently between 8% - 10%), the Corporation's royalties will increase.

Petro-Reef's complete third quarter 2007 financial statements and management's discussion and analysis are available for review on the SEDAR website (www.sedar.com) and on Petro-Reef's website (www.petro-reef.ca).

Petro-Reef Resources Ltd. is a Calgary based junior oil and natural gas company focused on petroleum and natural gas lease acquisition and exploration, and development of crude oil and natural gas properties in Alberta, Canada.

Forward-Looking Statements: All statements, other than statements of historical fact, set forth in this news release, 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.

Reference is made to barrels of oil equivalent (boe). 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 equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this news release.

For further information, please contact:

Joseph Werner
President and CEO

or

John Pantazopoulos
Vice-President Finance and CFO

Petro-Reef Resources Ltd.
970, 10655 Southport Road S.W.
Calgary, Alberta T2W 4Y1
Telephone (403) 265-6444
Facsimile: (403) 264-1348
E-mail: info@petro-reef.ca
Web Site: www.petro-reef.ca