

Petro-Reef Resources Ltd. Announces Oil Drilling Success

Calgary, Alberta, March 17, 2008 – Petro-Reef Resources Ltd. (TSX-V: PER),

Petro-Reef Resources Ltd. (“Petro-Reef”) is pleased to provide an update on drilling and recompletion activities in its core area of Alexander, Alberta where Petro-Reef holds an average working interest 75%.

Petro-Reef commenced drilling and recompletion operations on oil prospects in Alexander over the past few months and has achieved considerable success. In total 2 wells have been drilled and 3 wells have been re-entered. Of these wells, Petro-Reef has had 3 oil well discoveries, and 2 gas discoveries.

Petro-Reef has drilled and tested a new oil discovery at Alexander that flow tested over 700 bbls/d of light sweet crude oil with approximately 0.5 mmcf/d of associated natural gas production. Petro-Reef has completed this well and will be initiating a 30-day production test at a restricted rate of 200 bbl/d this week. Petro-Reef has identified two additional oil zones in this well that will be tested (most likely with a new well) once results of this 30-day test are complete. Petro-Reef holds a 94% working interest in this well.

Petro-Reef has also recently tested a new oil zone in a recompleted well at over 90 bbls/d. The oil was found to be slightly sour and as a result plant modifications are required at the Petro-Reef operated battery in order to handle the new production. Petro-Reef expects production to commence from this well during the third quarter of this year. Petro-Reef holds an 88% working interest in this well.

Petro-Reef is completing a 30-day production test on another oil well in Alexander, which has been producing light sweet crude at rates between 40 – 60 bbls/d throughout the test period. Upon completion of the test Petro-Reef expects to bring this well onstream at approximately 50 bbls/d.

With the recent drilling success, Petro-Reef has identified 10-15 follow-up development oil locations in Alexander, several of which will be drilled / recompleted later this year. These locations are in addition to the exploration natural gas locations scheduled to be drilled later this year.

With the addition of the production from the recent oil discovery in Alexander, Petro-Reef estimates current production to be 1,500 boe/d, with over 300 bbl/d of light, sweet crude production (80% natural gas and 20% crude oil, respectively).

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.

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