

Petro-Reef Resources Ltd. Provides an Operational Update

Calgary, Alberta, November 3, 2008 – Petro-Reef Resources Ltd. ("Petro-Reef" or the "Company") is pleased to provide an operational update including test results for crude oil wells recently drilled.

Petro-Reef recently drilled a crude oil location targeting a sweet oil formation which Petro-Reef has had considerable success targeting in the area. The well was tested over a 24 hour period and produced approximately 100 bbls/d of crude oil and 300 mcf/d of natural gas for a total volume of approximately 150 boe/d (94% working interest). Petro-Reef anticipates bringing this well on-stream at approximately 75 boe/d by December 2008 as the required pipeline tie-in is approximately 300 meters. Following the aforementioned well, Petro-Reef drilled an additional well targeting a deeper crude oil formation with uphole gas potential. Production pipe is being set and Petro-Reef is currently testing the well.

In addition to drilling, Petro-Reef has completed key infrastructure projects to tie-in behind pipe crude oil production from wells drilled early this year. In early October, Petro-Reef completed upgrades to its crude oil facility to accommodate sour crude and associated natural gas volumes which allowed the tie-in of behind pipe crude oil. Petro-Reef is currently constructing a sour oil battery and pipeline at another location which, upon completion in early December, will allow the tie-in of approximately 200 boe/d of production (54% working interest). Petro-Reef has one additional pipeline project which is awaiting regulatory approval before work can commence on the sweet oil pipeline project. Petro-Reef anticipates adding approximately 50 boe/d (94% working interest) when this pipeline is completed.

Petro-Reef anticipates drilling between 2-3 additional crude oil locations for the balance of 2008, offsetting existing producing crude oil wells. Petro-Reef is in the process of finalizing its 2009 capital expenditures budget and expects to release details in the coming weeks.

Petro-Reef announces that effective November 1, 2008, the Company's Board of Directors granted options to an employee to purchase up to 75,000 common shares under its Incentive Stock Option Plan. The options were issued at an exercise price of \$0.385 per share. Petro-Reef's shares closed at \$0.385 on October 31, 2008. The stock options will vest over one year and expire five years from the date of grant. Immediately prior to this grant, the Company had 2,300,000 stock options outstanding with an average exercise price of \$1.35 per share.

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

For further information, please contact:

Joseph Werner
President and CEO
(403) 265-6444

or

John R. Pantazopoulos
Vice-President Finance and CFO
(403) 265-6444

Petro-Reef Resources Ltd.
970, 10655 Southport Road S.W.
Calgary, Alberta T2W 4Y1
Fax: (403) 264-1348
Email: info@petro-reef.ca
Website: www.petro-reef.ca

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.

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.

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