

Strong Revenue, Cash Flow and Earnings for Petro-Reef Resources Ltd.

Calgary, Alberta, November 26, 2008 – Petro-Reef Resources Ltd. ("Petro-Reef") is pleased to announce strong financial and operating results for the three and nine month periods ended September 30, 2008.

Three Months Ended September 30

	2008	2007	% Change
Gross Revenue	\$ 4,501,683	\$ 1,795,476	150.7%
Cash Flow From Operations	\$ 2,411,634	\$ 951,444	153.5%
CFPS (\$ / Share)	\$ 0.07	\$ 0.03	133.3%
Net Income	\$ 453,787	\$ (288,379)	n/a

Production (Three Months Ended September 30)

	2008	2007	% Change
Crude oil and NGL (bbls/d)	136	27	403.5%
Natural Gas (Mcf/d)	4,407	3,406	29.4%
Total Production (boe/d)	871	595	46.4%

Petro-Reef's gross revenue increased 150.7% to \$4,501,683 as a result of higher production and record commodity prices. Petro-Reef's realized natural gas price for the quarter was \$7.77 / mcf with a crude oil and NGL price of \$112.71 / bbl. Cash flow from operations increased 153.5% to \$2,411,634 generating a cash flow per share of \$0.07. Earnings increased to \$453,787 for the period as a result of higher revenues and production.

Production increased 46.4% to 871 boe/d with crude oil and NGL production increasing 403.5% to 136 bbls/d. Petro-Reef is in the process of bringing onstream two oil wells and two natural gas wells, which collectively are expected to add approximately 250-300 boe/d. Three of the wells are expected to be onstream by the end of November, with the remaining well expected to be onstream by December.

Operations Update

With the current economic crisis affecting all companies' access to financing, Petro-Reef has refocused its capital expenditures towards lower risk, development oil drilling locations. In the fourth quarter of 2008, Petro-Reef anticipates drilling four wells, each targeting oil and all of which are on lands which attract freehold royalties. Recognizing the large development oil

potential, Petro-Reef has commenced holding applications which would permit Petro-Reef to drill up to 72 development oil wells on five sections of land in the Corporation's core area of Alexander over the next several years. The application process, along with landowner consultation and approvals are expected to take 6 months barring any unforeseen challenges. As a result, Petro-Reef anticipates having approvals in place by during Q3 - 2009.

Petro-Reef's Board of Directors has approved a 2009 capital expenditures budget of \$12,650,000, based on present calculations of cash availability. On this basis, Petro-Reef anticipates drilling between 8 and 10 development oil and 1 and 2 exploration wells in 2009, all of which are scheduled to be drilled in the second half of 2009. In anticipation of the second half drilling program, Petro-Reef will reduce expenditures during the first half of 2009 to conserve cash and available bank lines of credit. In the event the current economic crisis worsens, Petro-Reef has the ability to scale back the development drilling program.

Petro-Reef recently completed a 15 square mile 100% owned 3-D seismic program over newly acquired freehold and Crown lands adjacent to Petro-Reef's existing core area of Alexander. Data is currently being processed and Petro-Reef anticipates our initial interpretation to occur in early 2009.

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, availability of funds and cash flow, 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.