

Petro-Reef Resources Ltd. Response to Market Activity

Calgary, Alberta, March 20, 2009 – Petro-Reef Resources Ltd. (TSX-V: PER),

Petro-Reef Resources Ltd. (“Petro-Reef” or the “Company”) has been contacted by Market Surveillance and requested to comment on the recent minor, but unusual, trading activity in Petro-Reef’s stock on March 19, 2009.

Petro-Reef is not aware of any changes or events that would give rise to such trading activity. Beyond ordinary course operations, the only information that management is aware of is the following:

Year End Reserve Report

Petro-Reef has received its draft year end engineering reserve report and its Board of Directors is scheduled to meet on Wednesday March 25, 2009 to review, and if appropriate, approve the reserves report. In order to respond to the inquiry of Market Surveillance, the following summary of the reserves information is being released at this time. The reserves report is in **DRAFT** form and subject to Board of Directors approval. Therefore this press release is given for information purposes only and subject to the caution that adjustments could result from the board approval. Based on the draft report, Petro-Reef’s management believes reserves increased 45.2% to 2,281 mboe on a proved plus probable basis. On that basis, the net present value of the reserves before tax using a 10% discount increased 72.0% to \$52.4mm. Further details relating to the reserves, including detailed breakdown of values will be released after Petro-Reef’s Board of Directors have reviewed and approved the year end reserve report.

Review of Corporate Strategies

Because the Company’s asset value is significantly higher than the current market price of its shares, the Board of Directors of Petro-Reef has instructed management to report to it as to strategic alternatives that may be available in light of conditions currently affecting the oil and gas industry in Alberta. Alternatives may include: continuing with operations based on available cash flow and lines of credit and reviewing this approach periodically; seeking growth options, including financing structures such as joint ventures, farmouts or other arrangements with respect to the Company’s exploration and development acreage; or seeking growth options by way of merger or other form of business combination with a suitable industry participant. Petro-Reef may engage financial advisors to assist management in preparing its report. No particular course of action has been recommended by the board and no time frame has been set for the completion of the report nor the undertaking of any course of action.

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 values disclosed in this press release relating to net present value and net asset value of the Company's reserves are estimates and do not represent fair market value of the Company.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

For further information, please contact:

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