

Petro-Reef Resources Ltd. Releases Q1- 2009 Financial Statements

Calgary, Alberta, May 28, 2009 – Petro-Reef Resources Ltd. ("Petro-Reef" or the "Corporation") (TSX VENTURE:PER) is pleased to release its Q1 - 2009 financial statements and management discussion and analysis. Access to Petro-Reef's Q1 - 2009 financial results may be obtained at www.sedar.com or www.petro-reef.ca.

Q1 - 2009 Financial Highlights:

- Gross revenue of \$2,646,289
- Cash flow from operations of \$1,001,361
- CFPS of \$0.03
- Total assets of \$37,322,551

Weak commodity prices during the period resulted in a significant reduction in revenue and cash flow from operations. Realized natural gas prices fell 35.1% to \$5.13 / mcf with crude oil prices falling 53.8% to \$43.45 / bbl. Petro-Reef's effective royalty rate fell to 17.3% as a result of a growing amount of production attracting Freehold royalties as compared to Crown royalties which are significantly higher.

In reaction to falling commodity prices, Petro-Reef reduced general & administrative expenses to \$3.33 / boe, representing a 40% drop as compared to fiscal 2008. Petro-Reef continues to focus on reducing expenses to ensure positive cash flow is generated during this period of low commodity prices.

Operational Highlights:

- Production averaged 872 boe/d
- Crude oil and NGL production increased to 154 bbls/d
- Successfully drilled an oil well at 13-05 which was brought on-stream in early April at a volume of approximately 75 boe/d (84% WI)

In April, Petro-Reef submitted application for the downspacing of five key sections of land where Petro-Reef has identified two significant crude oil development opportunities. Based on well control in the area and interpretation of proprietary 3-D seismic data, Petro-Reef has identified approximately 50 development oil drilling locations as part of the downspacing application. Petro-Reef anticipates regulatory approval for the downspacing application early this summer and anticipates commencing with a two well drilling program. Both wells primary target will be the development oil opportunities, but both have significant uphole high impact natural gas potential which will be tested. In addition to the development oil locations, Petro-Reef is proceeding with the approval of three exploration locations on the Corporation's northern acreage (100 % WI). Petro-Reef anticipates drilling these exploration locations during the second half of 2009.

Strategic Alternatives

On March 20, 2009, Petro-Reef announced that its Board of Directors instructed management to report to it as to strategic alternatives available to the Corporation. Petro-Reef continues to review alternatives with its financial advisors and will advise shareholders of any updates as required. At this time, no specific course of action has been identified or is any transaction currently contemplated or being reviewed.

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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