

Petro-Reef Resources Ltd. Adds New Director, Receives Additional Downspacing Approval

Calgary, Alberta, October 16, 2009 – Petro-Reef Resources Ltd. ("Petro-Reef" or the "Corporation") is pleased to announce that Mr. N. Gary Van Nest has agreed to join Petro-Reef's Board of Directors effective immediately. Mr. Van Nest is President of Sinalta Investments Ltd., an investment and management consulting company. Mr. Van Nest has over 40 years of extensive experience in the brokerage, merchant banking, and investment management businesses. He was formerly President of Wisener & Partners (now Merrill Lynch, Canada), President of Triarch Corporation, Chairman of Elliot & Page Limited, President & CEO of Canadian Venture Capital Corporation; Pathfinder Financial Corporation; Landmark Global Financial Corporation.

Petro-Reef has granted 300,000 stock options under its Incentive Stock Option Plan to Mr. Van Nest. The options were issued at an exercise price of \$0.30 per share which was the closing price of Petro-Reef's shares on October 15, 2009. The stock options will vest over one year and expire five years from the date of grant.

Petro-Reef is pleased to announce that it has received regulatory approval for the downspacing of 3.5 sections where Petro-Reef has identified up to 25 development oil wells in the Corporation's core area of Alexander. The downspacing approval and drilling locations are in addition to the ones discussed in the Corporation's September 21, 2009 media release. With receipt of the two downspacing approvals, Petro-Reef has identified approximately 50 low risk development oil drilling locations in its core area of Alexander. With the downspacing approvals, Petro-Reef has commenced the application process to license several key development wells and anticipates drilling these wells in the coming months.

Further to the media release dated September 21, 2009, Petro-Reef commenced its high impact exploration drilling program in early October. Petro-Reef has completed drilling one well, commenced drilling a second well, and anticipates drilling its third exploration well late next week. Petro-Reef will test all the exploration wells, with results to be released as they become available.

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.

For further information, please contact:

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