petro-reef
resources ltd.

TSX Venture : PER

970, 10655 Southport Road S.W., Calgary, Alberta T2W 4Y1 CANADA • tel (403) 265-6444 • fax (403) 264-1348

Petro-Reef Resources Ltd. Closes Strategic Acquisition of Working Interest Partner

Calgary, Alberta, March 18, 2010 – Petro-Reef Resources Ltd. ("Petro-Reef" or the "Corporation") is pleased to announce that it closed the acquisition of working interests in the Corporation's core area of Alexander.

In addition to approximately 40 boe/d of long-life natural gas production and associated liquids, Petro-Reef acquired an additional 10% working interest in the Petro-Reef operated Alexander sweet natural gas processing facility and an additional 10% working interest in the Alexander water injection facility. While the acquisition of production and key facilities is consistent with Petro-Reef's growth strategy of growth through the drill bit, combined with low cost tuck-in acquisitions, the driving force behind the acquisition was the opportunity to substantially increase Petro-Reef's undeveloped land position, including an additional 20% working interest in key oil zones where Petro-Reef has identified over 25 drilling locations.

Petro-Reef paid $1,000,000 in cash for the assets. If the deemed facilities cost is excluded from the acquisition price, Petro-Reef paid approximately $15,000 / boe / d for the long-life, low cost production. As a result of the acquisition, Petro-Reef now owns 89% of the production in central Alexander and 100% of the production in northern Alexander, all of which is operated by Petro-Reef.

Petro-Reef is pleased to announce that as a result of the closing of the acquisition as well as the increase in production from the recent exploration drilling success, the National Bank of Canada has increased the revolving operating credit facility to $16,000,000 and increased the acquisition / development credit facility to $4,000,000. Petro-Reef is currently drawn to approximately $13,500,000 on the operating credit facility and has no amounts currently drawn on the acquisition / development credit facility.

Petro-Reef's current production is estimated at 1,050 boe/d, including approximately 150 bbls/d of crude oil. In addition, Petro-Reef currently has approximately 250 boe/d, including approximately 150 bbls/d of crude oil that is currently behind pipe awaiting regulatory approval for the construction of a sour facility in Alexander. Petro-Reef has submitted its application for a sour facility and anticipates receipt of regulatory approval by the end of Q3 - 2010.

Petro-Reef is currently applying for five well licenses, three of which are development, with the remaining high impact exploration locations. The average working interest in the five upcoming drilling locations is 95%.

For further information, please contact:

John Pantazopoulos
Vice-President Finance and CFO
Petro-Reef Resources Ltd.
970, 10655 Southport Road S.W.
Calgary, Alberta T2W 4Y1

Telephone: (403) 265-6444
Facsimile: (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.*

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.