

## PRESS RELEASE

### REECE ENERGY PROVIDES OPERATIONS UPDATE

**July 14, 2008 – Medicine Hat, AB** – Reece Energy Exploration Corp. (TSX-V/RXR) (“Reece”) is pleased to provide the following operations update through the end of the second quarter of 2008. During the second quarter Reece drilled 12 (10.33 net) wells, bringing the total number of wells drilled this year to 15 (12 net). All of the wells were cased and are either on production or in various stages of testing or completion. Reece’s average production for June, 2008 increased to 1,300 BOE/d, which equates to an increase of 420 BOE/d or 47.7% over June, 2007 and a 530 BOE/d or 68.8% increase over the average rate for the year ended December 31, 2007. This increase reflects the success of Reece’s new horizontal drilling program in the Viking formation of western Saskatchewan.

During the quarter, additional assets have been acquired and lands leased to augment core areas in Reece’s Viking and Bakken plays. The 2008 capital expenditure budget was increased by \$15 million to take further advantage of the positive pricing environment and successful drilling results.

The Dodsland Viking play near Kindersley, Saskatchewan saw the majority of the activity and expenditures in the second quarter of 2008. Nine (9.0 net) horizontal, multi-staged fractured wells were drilled during the quarter. At the end of June seven of these wells were on production (with some still enjoying flush production conditions) which added over 400 bbl/d of light oil net to Reece. Drilling, completions and tie-ins are continuing in this low risk core area with wells being tied into a 100% owned and operated battery in the field.

The Bakken play has been progressing as planned with two (1.0 net) of the three scheduled exploratory wells having been drilled in the second quarter. The first well was considered a success and is now on production. The second well is currently being tested and the drilling rig has moved onto the third location. Reece has decided not to release any further drilling, testing or production information concerning these exploratory wells until the end of the third quarter due to competitive land issues in the area. Once all three wells have been drilled and tested, Reece will evaluate them and determine how to best exploit the significant asset base in the area. A further seven (3.5 net) wells are scheduled to be drilled before the end of the year.

During the second quarter, Reece drilled one (0.33 net) well at its Crystal Hill play. The well was successful and has added approximately 12 bbl/d net of light oil production to Reece. An additional 5 to 7 (1.7 to 2.3 net) wells have been scheduled to be drilled in this field before the end of the year.

With an increased capital budget and increasing asset base Reece is looking forward to continued growth and positive results through the end of the year and beyond.

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Reece is a publicly held oil and gas company headquartered in Medicine Hat, Alberta, Canada that trades on the *TSX Venture Exchange* under the symbol “RXR”.

***The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.***

BOEs derived by converting gas to oil at a ratio of six thousand cubic feet of gas to one barrel of oil (6 Mcf: 1 bbl). BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Certain statements in this news release including (i) statements that may contain words such as “anticipate”, “could”, “expect”, “seek”, “may” “intend”, “will”, “believe”, “should”, “project”, “forecast”, “plan” and similar expressions, including the negatives thereof, (ii) statements that are based on current expectations and estimates about the markets in which Reece operates and (iii) statements of belief, intentions and expectations about developments, results and events that will or may occur in the future, constitute “forward-looking statements” and are based on certain assumptions and analysis made by Reece. Forward-looking statements in this news release include, but are not limited to, statements with respect to future capital expenditures, including the amount, nature and timing thereof; oil and natural gas prices and demand; other development trends within the oil and natural gas industry; business strategy; expansion and growth of Reece’s business and operations and other such matters. Such forward-looking statements are subject to important risks and uncertainties, which are difficult to predict and that may affect Reece’s operations, including, but are not limited to: the impact of general economic conditions; industry conditions; government and regulatory developments; oil and natural gas product supply and demand; competition; and Reece’s ability to attract and retain qualified personnel. Reece’s actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do transpire or occur, what benefits Reece will derive therefrom. Subject to applicable law, Reece disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

All forward-looking statements contained in this document are expressly qualified by this cautionary statement. Further information about the factors affecting forward-looking statements is available in Reece’s current Annual Report which has been filed with Canadian provincial securities commissions and is available on [www.sedar.com](http://www.sedar.com).