

PRESS RELEASE

REECE ENERGY INCREASES CREDIT FACILITY AND PROVIDES ASSURANCE ON SEMCANADA EXPOSURE

August 14, 2008 – Medicine Hat, AB – Reece Energy Exploration Corp. (TSX-V/RXR) (“Reece” or the “Company”) is pleased to announce that it has received an increase to its credit facility from the Alberta Treasury Branch. Based on the strength of the previously announced mid-year update to its 2007 reserve evaluation, Reece’s credit facility has been increased from \$20 million to \$33 million.

Reece experienced proved plus probable reserves growth through the first 6 months of 2008 of 1,155 MBOE, which resulted in Reece’s net present value (10% discount rate, before taxes using forecast prices) increasing from \$71.7 million to \$174.0 million. A large portion of this increase comes from Reece’s Dodsland Viking oil play. Reece has drilled 12 (12 net) horizontal wells into the Viking formation in the Dodsland field in 2008 with a 100% success rate.

In July, 2008 SemCanada Crude Company (“SemCanada”) applied for creditor protection in Canada under the Companies’ Creditors Arrangement Act, because of this, Reece has estimated a potential financial exposure of approximately \$500,000 (\$300,000 after taxes) relating to the marketing of a portion of the company’s oil sales for the month of June and to July 22, 2008. There is no additional exposure as Reece has been prepaid for future deliveries from July 22 through August 25, 2008 and will continue to be paid in advance for future deliveries.

Reece does not consider the monetary exposure material to the Company’s overall financial position and it will not impact the Company’s ability to fund its remaining 2008 capital expenditures program. As of the date of this release, Reece has not been able to determine either when or how much of the exposure will be ultimately collected from SemCanada.

For any further information, please contact:

Lorne Swalm,
President & Chief Executive Officer,
Reece Energy Exploration Corp.
Phone: (403) 526-9700
lswalm@reeceenergy.com
www.reeceenergy.com

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.