

## NEWS RELEASE

### REDCLIFFE ANNOUNCES 2008 FINANCIAL RESULTS AND FILING OF 2008 YEAR-END DISCLOSURE DOCUMENTS

FOR IMMEDIATE RELEASE

TSX VENTURE EXCHANGE RXP.A / RXP.B

**April 23, 2009 – Calgary, Alberta** – Redcliffe Exploration Inc. ("Redcliffe" or the "Company") is pleased to announce that it has filed its audited consolidated financial statements and related Management's Discussion and Analysis as of and for the year ended December 31, 2008 with Canadian securities regulatory authorities. Redcliffe has also filed its Annual Information Form, which includes the Company's reserve data and other oil and gas information for the year ended December 31, 2008 as required by National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities. These filings are available for review at [www.sedar.com](http://www.sedar.com).

**Highlights:**

- Production increased 67% to an average of 1,038 boe/d for Q4 2008, compared to 622 boe/d for Q4 2007, and increased 117% to an average of 941 boe/d for 2008, compared to 434 boe/d for 2007. The Company exited 2008 producing approximately 1,332 boe/d, with additional potential production of approximately 250 boe/d behind-pipe.
- Petroleum and natural gas sales increased 93% to \$4,824,000 for Q4 2008, compared to \$2,495,000 for Q4 2007, and increased 218% to \$21,517,000 for 2008, compared to \$6,765,000 for 2007.
- Average prices realized increased 16% to \$50.50/boe for Q4 2008, compared to \$43.62/boe for Q4 2007, and increased 46% to \$62.48/boe for 2008, compared to \$42.71/boe for 2007.
- Operating netback increased 5% to \$23.02/boe for Q4 2008, compared to \$21.88/boe for Q4 2007, and increased 46% to \$34.41/boe for 2008, compared to \$23.61/boe for 2007.
- Funds from operations increased 106% to \$1,761,000 for Q4 2008, compared to \$855,000 for Q4 2007, and increased 364% to \$8,782,000 for 2008, compared to \$1,893,000 for 2007.
- Net capital expenditures totaled \$5,634,000 for Q4 2008 and \$18,730,000 for 2008. Redcliffe drilled 3 (0.83 net) wells during Q4 2008, resulting in 3 (0.83 net) natural gas wells, for an overall success rate of 100%. For 2008, Redcliffe drilled a total of 8 wells (4.35 net), resulting in 7 (3.35 net) natural gas wells and 1 (1.00 net) oil well, for an overall success rate of 100%.
- Increased proved reserves 32% to 2,252.6 mboe at December 31, 2008, compared to 1,702.7 mboe at December 31, 2007, and increased proved plus probable reserves 32% to 4,094.0 mboe at December 31, 2008, compared to 3,103.0 mboe at December 31, 2007. Reserve additions were 956.7 mboe on a proved basis and 1,552.7 mboe on a proved plus probable basis, resulting in a replacement of 2008 production by 2.6 times on a proved basis and 3.9 times on a proved plus probable basis.

- Successfully established an arrangement with a land fund and increased undeveloped land base to 105,769 acres (71,709 net acres) at December 31, 2008, compared to 60,866 acres (38,892 net acres) at December 31, 2007, an increase of 74% (84% net).

<b>Financial</b>	<b>Three months ended December 31</b>		<b>Year ended December 31</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
(\$ thousands, except per share amounts)				
Petroleum and natural gas sales	4,824	2,495	21,517	6,765
Funds from operations <sup>(1)</sup>	1,761	855	8,782	1,893
Per basic and diluted share	0.02	0.02	0.11	0.05
Cash provided by (used in) operating activities	2,952	(2,021)	8,875	(569)
Per basic and diluted share	0.03	(0.04)	0.11	(0.01)
Net loss and other comprehensive loss	706	660	74	462
Per basic and diluted share	0.01	0.01	-	0.01
Capital expenditures, net	5,634	6,129	18,730	17,363
Weighted-average shares (thousands)				
Basic	86,475	49,103	78,295	38,747
Diluted	86,475	49,103	78,295	38,941

<b>Capital Structure</b>	<b>December 31, 2008</b>	<b>December 31, 2007</b>
(\$ thousands, except share amounts)		
Working capital deficiency <sup>(2)</sup>	4,885	9,144
Bank debt	8,587	4,225
Net debt	13,472	13,369
Total assets	66,683	56,922
Shares outstanding (thousands)		
Class A	74,235	54,406
Class B	1,494	1,494

<sup>(1)</sup> Funds from operations is calculated as cash provided by (used in) operating activities and adding changes in non-cash working capital and asset retirement expenditures. Funds from operations is used to analyze the Company's operating performance and leverage. Funds from operations does not have a standardized measure prescribed by GAAP and therefore may not be comparable with calculations of similar measures for other companies.

<sup>(2)</sup> Working capital deficiency includes only cash, accounts receivable, prepaid expenses and deposits, and accounts payable and accrued liabilities.

<b>Operations</b>	<b>Three months ended December 31</b>		<b>Year ended December 31</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
<b>Daily production</b>				
Crude oil and condensate (bbl/d)	284	26	203	14
Natural gas liquids (bbl/d)	97	126	106	83
Natural gas (mcf/d)	3,943	2,818	3,791	2,021
Oil equivalent (boe/d @ 6:1)	1,038	622	941	434
Per million diluted shares	12.0	12.7	12.0	11.1
<b>Average prices <sup>(3)</sup></b>				
Crude oil and condensate (\$/bbl)	60.96	85.68	96.61	80.27
Natural gas liquids (\$/bbl)	29.90	53.48	49.24	47.22
Natural gas (\$/mcf)	8.11	6.44	8.90	6.67
Oil equivalent (\$/boe)	50.50	43.62	62.48	42.71
<b>Netback</b>				
Operating netback (\$/boe) <sup>(4)</sup>	23.02	21.88	34.41	23.61
Realized gain (loss) on financial instruments (\$/boe)	1.21	-	(1.10)	-
General and administrative (\$/boe)	(4.96)	(6.63)	(6.41)	(8.88)
Interest (\$/boe)	(0.84)	(0.31)	(1.39)	(2.78)
Funds from operations (\$/boe)	18.44	14.94	25.50	11.95
<b>Drilling activity</b>				
Gross wells	3.00	16.00	8.00	23.00
Net wells	0.83	7.57	4.35	11.22
Success rate, net wells	100%	86%	100%	80%

<b>Reserves and Land</b>	<b>December 31, 2008</b>	<b>December 31, 2007</b>
Proved reserves (mboe) <sup>(5)</sup>	2,252.6	1,702.7
Proved plus probable reserves (mboe) <sup>(6)</sup>	4,094.0	3,103.0
Proved plus probable reserve value – PV 10% (\$ thousands) <sup>(6)</sup>	76,264	61,870
Undeveloped land – gross (acres)	105,769	60,866
Undeveloped land – net (acres) <sup>(7)</sup>	71,709	38,892
Undeveloped land value – net (\$ thousands) <sup>(8)</sup>	13,329	6,635

<sup>(3)</sup> Average prices are before the deduction of transportation costs; oil equivalent includes sulphur sales.

<sup>(4)</sup> Operating netback equals petroleum and natural gas sales less royalties, operating expenses and transportation costs, calculated on a boe basis. Operating netback does not have a standardized measure prescribed by GAAP and therefore may not be comparable with the calculation of similar measures for other companies.

<sup>(5)</sup> Gross Company share reserves as evaluated by McDaniel & Associates Consultants Ltd.

<sup>(6)</sup> As evaluated by McDaniel & Associates Consultants Ltd.

<sup>(7)</sup> Includes Company share of option lands held through Redcliffe Land Fund, LLC.

<sup>(8)</sup> Company share undeveloped land value as evaluated by McDaniel & Associates Consultants Ltd. plus management's estimate of Company share of option lands held through Redcliffe Land Fund, LLC.

**Outlook:**

The current global financial crisis has had a significant impact on the junior oil and gas sector, resulting in lower commodity prices, tightening of capital markets for both debt and equity, and lower share valuations. Understandably, these events have affected Redcliffe and management has taken measures to assess the impact to the Company and to address the issues that have arisen or may arise in the foreseeable future.

The impact of significantly lower commodity prices, and especially natural gas prices, has resulted in lower expected funds from operations in 2009 compared to 2008. Combined with uncertainty as to the potential bottom of natural gas prices in 2009, and the limited additional debt capacity available, the Company has taken a cautious and conservative approach to its business for the foreseeable future. In particular, the Company has reduced its capital expenditure budget for 2009, focusing such expenditures on meeting outstanding flow-through obligations for 2009 and optimizing existing production. The Company currently plans to drill up to six gross wells on existing lands in the Peace River Arch to meet its flow-through obligations. The Company has also taken and is continuing to take measures to reduce other costs related to ongoing operations, such as operating expenses and general & administrative expenses.

Our 2009 focus to date has been on reducing expenditures, reducing debt and renewing debt facilities, preparing the Company to weather potentially poor commodity prices over the summer, and identifying potential funding shortfalls and alternatives to address those, should they materialize. The impact of recent lower commodity prices on the Company's funds from operations has been partially mitigated as a result of its 2009 commodity price contracts, which expired on March 31, 2009. Under such contracts, the Company had been selling 2,000 GJ/d of natural gas at an average price of \$9.12/GJ, or \$9.64/mcf. Other steps the Company has taken to the date hereof include the renewal of its bank facility at \$14.5 million until April 30, 2010, the completion of the acquisition of First Western Financial Ventures Inc., which resulted in an injection of working capital of approximately \$1.6 million, before transaction costs, on February 10, 2009, and the marketing of certain non-core properties for sale.

Although difficult economic times are upon the industry, the Company recognizes that it is essential to effect growth to the extent possible in such an environment. To this end, the Company is identifying alternatives to take advantage of recent Alberta royalty program modifications, while minimizing cash outlays to the Company, and to undertake corporate or property transactions which add scale, future potential and improved balance sheet strength. We expect that commodity prices and the global economy will recover in 2010, which will drive growth in the future, and we are positioning ourselves to take advantage of such. We also recognize that the current environment provides the opportunity to develop our future capital expenditure programs, and to take advantage of business opportunities that can drive future growth. We envision expanding our capital expenditure budget once the commercial environment improves to our satisfaction.

Since its inception in 2006, Redcliffe has enjoyed excellent drilling success and has assembled an enviable land position from which to achieve future growth. Also since its inception, the Company has demonstrated measureable growth each and every year in key valuation drivers, such as funds from operations per share, production per share, reserves per share, and net asset value per share. Unfortunately, external factors such as the recent global recession, the Alberta New Royalty Framework, the elimination of the Alberta Royalty Tax Credit, revised Oil and Gas Royalty Trust legislation, and significant inflationary pressures over the past three years have significantly challenged Redcliffe and most other Canadian junior oil and gas companies over the period of the Company's existence. All these external factors have ultimately impacted share price valuations for companies in our sector, Redcliffe included. Nevertheless, although we are in difficult times, as a company we continue to focus on per share value drivers, and with our strong

management and technical teams, our excellent land base, and our inventory of high-impact drilling opportunities, we remain confident and optimistic about our future.

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