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NEWS RELEASE

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SMF ENERGY CORPORATION EXPANDS EXCLUSIVE DISTRIBUTION AGREEMENT FOR “GREEN” ALTERNATIVE DRY CLEANING SOLVENTS INTO 9 STATES

Ft. Lauderdale, FL, May 16, 2008 – **SMF ENERGY CORPORATION**, (NASDAQ: FUEL) (the “Company”), a leading provider of specialized transportation and distribution services for petroleum products and chemicals, today announced that it has entered into an agreement with Enviro Tech International, Inc., the manufacturer of DrySolv™, to be the exclusive distributor and sales agent of its patented environmentally friendly “Green” dry cleaning solvent, soap, and spotting chemicals in the states of Arizona, California, Florida, Georgia, Louisiana, North Carolina, South Carolina, Tennessee and Texas.

DrySolv™ is a non-hazardous, non-chlorinated, non-flammable and environmentally friendly direct alternative cleaner to Perchloroethylene (PERC) and other hazardous or flammable solvents predominately used in the dry cleaning business today. The use of DrySolv™ enhances employee safety, produces non-hazardous waste, reduces operating costs, and delivers exceptional cleaning performance when compared to the traditional use of PERC and related cleaning processes. SMF has acted as a non-exclusive distributor of DrySolv™ and related products in the states of Texas, Florida, Georgia and North Carolina since October 2007.

Richard E Gathright, President and CEO, stated, “We are truly excited about becoming the exclusive distributor of this unique and proprietary product in a total of nine states, particularly California, which is a leader in environmental legislation and consumes an estimated 40% of all dry cleaning solvents in the United States. We are confident that the dry cleaning industry is ready for an alternative to the hazardous chemicals commonly used today, especially in light of the increasing environmental and regulatory requirements that could lead to a drastic reduction, or even the elimination, of these hazardous products over the next few years”.

Gathright continued, “The dry cleaning establishment count in the US is estimated at approximately 33,000 locations. Based on studies conducted over the last ten years by multiple federal and state agencies, including the Census Bureau, EPA and CARB, of this number, roughly 82%, or 27,000 locations, use PERC, widely acknowledged to be a hazardous substance,

in one or more machines on a daily basis. It is estimated that each of these establishments purchases between 5 and 55 gallons per month of cleaning solvent(s) and related products, depending on machine size, age, volume (thru put) and location. The territory covered by our expanded and exclusive agreement with EnviroTech includes more than 10,000 of these establishments nationwide, or roughly 37% of the machines convertible from PERC to the DrySolv™ solvent, soap and spotting chemicals. This translates to a market potential of approximately 2,500,000 gallons on an annualized basis”.

Gathright concluded, “We believe in the bright future for this product and the contribution it can make to our revenues and profits. Our implementations in Texas and Florida, to date, have generated great enthusiasm with facility owners/operators about these products and their potential to reduce overall operating costs, improve the workplace and benefit the environment. With this new agreement, we are dramatically accelerating our marketing efforts to take advantage of this significant opportunity.”

About SMF ENERGY CORPORATION (NASDAQ: FUEL)

The Company is a leading provider of petroleum and chemical product distribution services, transportation logistics and emergency response services to the trucking, manufacturing, construction, shipping, utility, energy, chemical, dry cleaning, telecommunication and government services industries. The Company provides its services and products through 26 locations in the ten states of Alabama, California, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee and Texas. The broad range of services the Company offers its customers includes commercial mobile and bulk fueling; the packaging, distribution and sale of lubricants; integrated out-sourced fuel management; transportation logistics and emergency response services. The Company’s fleet of custom specialized tank wagons, tractor-trailer transports, box trucks and customized flatbed vehicles delivers diesel fuel and gasoline to customers’ locations on a regularly scheduled or as needed basis, refueling vehicles and equipment, re-supplying fixed-site and temporary bulk storage tanks, and emergency power generation systems; and distributes a wide variety of specialized petroleum products, lubricants and chemicals to our customers. In addition, the Company’s fleet of special duty tractor-trailer units provides heavy haul transportation services over short and long distances to customers requiring the movement of over-sized or over-weight equipment and manufactured products. More information on the Company is available at www.mobilefueling.com.

FORWARD LOOKING STATEMENTS

This press release includes "forward-looking statements" within the meaning of the safe harbor provision of the Private Securities Litigation Reform Act of 1995. For example, predictions or statements of belief or expectation concerning future sales of DrySolv™, and the potential for further growth of the market for EnviroTech’s products are all “forward looking statements” which should not be relied upon. Such forward-looking statements are based on the current beliefs of the Company and its management based on information known to them at this time. Because these statements depend on various assumptions as to future events, including but not

limited to those assumptions noted in the “Management’s Discussion and Analysis of Financial Condition and Results of Operation” section in the Company’s Form 10-Q for the quarter ended March 31, 2008, they should not be relied on by shareholders or other persons in evaluating the Company. Although management believes that the assumptions reflected in such forward-looking statements are reasonable, actual results could differ materially from those projected. In addition, there are numerous risks and uncertainties which could cause actual results to differ from those anticipated by the Company, including but not limited to those cited in the “Risk Factors” section of the Company’s Form 10-K for the year ended June 30, 2007 and in the Form 10-Q for the quarter ended December 31, 2007.