



200 West Cypress Creek Road, Suite 400
Fort Lauderdale, Florida 33309

NEWS RELEASE

Contact: Robert W. Beard
Senior Vice President and Investor Relations Officer
954-308-4200

**SMF ENERGY CORPORATION ANNOUNCES
INTENT TO MERGE AND CONSOLIDATE WITH REFINERY COMPANY**

Ft. Lauderdale, FL, March 18, 2008 – **SMF ENERGY CORPORATION, (NASDAQ: FUEL)** (“SMF” or the “Company”), a leading provider of petroleum product distribution services, transportation logistics and emergency response services to the trucking, construction, utility, energy, chemical, manufacturing, telecommunication and government service industries, today announced that it has entered into a non-binding letter of intent with Houston-based Lazarus Energy Holdings LLC (“Lazarus Holdings”) to acquire Lazarus Energy, LLC (“Lazarus Energy” and jointly with Lazarus Holdings, “Lazarus”), which owns the Nixon Refinery located 50 miles east of San Antonio, Texas and 70 miles southeast of Austin, Texas.

Lazarus has been working to renovate and bring back into production the Nixon Refinery after purchasing it in 2006. Built in 1981 to environmental specifications meeting today’s requirements and idled since 1993, the Nixon Refinery is expected to re-commence operations by June 2008, with an initial crude oil processing capacity of 15,000 barrels per day, and a projected increase in daily thrupt capacity to 20,000 barrels by early 2009.

The Nixon Refinery will process light, sweet crude oil into an initial estimated 220 million gallons per year of petroleum products, with the annual rate expected to increase to 300 million gallons. Those products will include diesel and jet fuel, as well as naphtha and atmospheric tower bottoms, both of which are highly valued by other refiners as feedstock for producing gasoline. The Nixon Refinery is surrounded by high quality local crude production and benefits from direct pipeline access to crude. It has 265,000 barrels of storage on its 56-acre site and is expected to realize a positive transportation differential to the San Antonio market for its finished products, together with access to a number of other refineries for feedstock production.

While some of the products produced by the Nixon Refinery will be delivered by SMF to new and existing SMF customers in the San Antonio, Austin and surrounding markets, SMF will also benefit from the Nixon Refinery production in the rest of its ten (10) state distribution system via the exchange of the Nixon products with other regional refiners. The combined operations are expected to provide SMF with increased supply alternatives, improved supply procurement and credit economics, and to enhance the earning opportunities of the Nixon Refinery. SMF will also

provide its enterprise resource management systems, including back office, accounting and reporting systems, to support the combined SMF and Lazarus Energy manufacturing, supply, distribution and marketing operations.

Lazarus Holdings also owns three (3) other idled refineries which are located at Longview, Texas, Mermentau, Louisiana and Church Point, Louisiana. Under the proposed agreement with Lazarus Holdings, SMF will have an option to acquire these additional three (3) refineries which have an aggregate estimated crude capacity of 60,000 barrels per day and annual refined product production of 800 million to 900 million gallons. Upon completion of the acquisition, Lazarus Energy will become a wholly-owned subsidiary of SMF; the owners of Lazarus Holdings will become the majority shareholders of SMF; and the operating management and personnel of Lazarus will become employees of SMF's refinery unit. It is anticipated that the definitive merger agreement, which will set forth the terms, conditions and valuation of the merger and related options, including the relative ownership of SMF's existing shareholders and the owners of Lazarus Holdings, will be finalized on or before May 31, 2008.

Lazarus Holdings was founded by Jonathan Carroll. In 1991, Mr. Carroll partnered with Apollo Management, L.P., one of the world's largest private equity investment companies, to acquire Direct Gas Supply ("DGS"), a natural gas marketing concern, from British Petroleum. In 1995, Mr. Carroll sold DGS, which had grown from \$30 million to nearly \$400 million in revenue, to ENSERCH (now part of TXU Corp.). Mr. Carroll then served as President of Enserch Energy Services, a company formed by the merger of ENSERCH, DGS and Sunrise Energy Services, which resulted in an integrated marketing, trading and structured finance unit with nearly \$2 billion in revenue. The co-owners of Lazarus Holdings include several senior partners and members of Ares Management LLC and Apollo Management, L.P.

Richard E. Gathright, SMF Chairman, CEO and President of SMF Energy, commented, "The combination of SMF and Lazarus will create an integrated company from refining through distribution. As a result, we will benefit from strong economies of scale, cost efficiencies, increased credit availabilities and the full utilization of the SMF management resources platform we have developed over the last three years. The benefits of our combination with Lazarus include our expected ability to exchange refinery production for products in markets such as Florida where we historically experience tight supplies, and our ability to capture value from the use our truck fleet to deliver new Nixon Refinery supply into the tightly supplied San Antonio and Austin markets."

ABOUT SMF ENERGY CORPORATION (NASDAQ: FUEL)

SMF Energy Corporation is a leading provider of petroleum product distribution services, transportation logistics and emergency response services to the trucking, manufacturing, construction, shipping, utility, energy, chemical, 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. Because these statements depend on assumptions as to future events, 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 risks and uncertainties which could cause future events 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 the in the Form 10-Q for the quarter ended December 31, 2007.