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NEWS RELEASE

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**SMF ENERGY CORPORATION SIGNS NEW MULTI-YEAR
PETROLEUM DISTRIBUTION SERVICES CONTRACT WITH THE
UNITED STATES POSTAL SERVICE**

CONTRACT SIGNIFICANTLY EXPANDS LOCATIONS & VOLUMES

Ft. Lauderdale, FL, September 9, 2008 – **SMF ENERGY CORPORATION, (NASDAQ: FUEL)** (the “Company”), a leading provider of specialized transportation and distribution services for petroleum products and chemicals announced today that it has been awarded a new, two-year agreement to provide fleet and emergency fueling services to the United States Postal Service (USPS). Under this expanded agreement, the Company will provide scheduled fueling services to approximately 10,000 postal vehicles domiciled at over 350 locations across the United States. In addition, the contract may be extended for up to two additional 2-year renewal periods, potentially resulting in a contract term through 2014.

Richard E. Gathright, President and CEO commented, “The expanded opportunities represented in this contract will have a material impact on our reported revenues and profit over the life of the agreement. Not only did we retain a significant number of locations serviced under the existing contract, but we also acquired the servicing rights for a number of new Vehicle Maintenance Facilities covering a large number of additional USPS delivery points across the United States. These new delivery points constitute a 30% increase in volumes over the prior contract.”

Gathright concluded, “I am gratified by the confidence shown in our Company by the USPS. We have a 15 year relationship with the Postal Service that, in our view, has been sustained by our ability to provide excellent service even during challenging weather and market conditions. The award of this new, multi-year contract validates our continued commitment to providing the USPS and all of our customers with the same level of exceptional service.”

About SMF ENERGY CORPORATION (NASDAQ: FUEL)

The Company 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 its 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 these assumptions are reasonable, actual events could differ materially from those projected. In addition, there are various risks and uncertainties which could cause future events to vary, 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 March 31, 2008.