

PETRO-REEF RESOURCES LTD.

FOR IMMEDIATE RELEASE

Common Shares Outstanding: 17,588,937

PETRO-REEF GRANTS OPTIONS

CALGARY, ALBERTA, January 15, 2003. Petro-Reef Resources Ltd. (TSX Venture – “PER”) announces that it has granted 160,000 stock options to 3 individuals who are officers, staff or directors at an exercise price of \$0.30 per share. The stock options will vest over 3 years and expire 5 years from the date of grant.

Immediately prior to this grant, the Company had 1,050,000 stock options outstanding with an average exercise price of \$0.49 per share.

Petro-Reef Resources Ltd. is a Calgary based oil and natural gas company with producing properties in Western Canada. The company trades on the TSX Venture Exchange under the symbol “PER”.

For further information, please contact:

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The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release. This news release may contain forward-looking information. Actual future results may differ materially from those contemplated. The risks, uncertainties and other factors that could influence actual results are described in documents filed with regulatory authorities.