

PETRO-REEF RESOURCES LTD.

PRESS RELEASE

Stock Option Grants to Directors and Officers

**CALGARY, ALBERTA
July 29, 2003**

**Stock Exchange: TSX Venture
Symbol: PER
Common Shares Outstanding; 17,688,937**

Petro-Reef Resources Ltd. announces that on July 9, 2003, it granted options to purchase 800,000 Common Shares to 5 individuals who are officers or directors at an exercise price of \$0.42 per share under the terms of its Stock Option Plan. 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 510,000 stock options outstanding with an average exercise price of \$0.38 per share.

Petro-Reef Resources Ltd. is a Calgary based oil and natural gas company with producing properties in Western Canada.

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