

PETRO-REEF RESOURCES LTD.

NEWS RELEASE

TSX Venture Exchange
Symbol PER
Common Shares Outstanding 17,705,603

Calgary, Alberta
June 17, 2004

The annual general meeting of shareholders of Petro-Reef Resources Ltd. was held June 16, 2004. Five existing directors were re-elected, namely Theodore M. Donhuysen, Robert N. Maertens-Poole, Alan P. Hallman, Dennis K. Ulrich and Joseph Werner. Three additional directors were elected, subject to regulatory approval, namely Gary W. Coleman (a former director) Huba A. Sebo and Jack P. Donhuysen.

PricewaterhouseCoopers LLP, chartered Accountants have been appointed as auditors for the ensuing year.

The new board of directors granted to each of the additional directors a 100,000 share stock option at an exercise price of \$0.70 per share, which was the price of the last trade of Petro-Reef shares on June 16, 2004. The stock options will vest over three years and expire five years from the date of grant.

Immediately prior to this grant Petro-Reef had 1,243,334 stock options outstanding with an average exercise price of \$0.40 per share.

The shareholders were informed that for the next well to be drilled by Petro-Reef et al the plans are to move a drilling rig onto location June 21, 2004. The well is licensed to drill to a depth of seventeen hundred meters (1,700 m) as a test in the Leduc formation. Petro-Reef has a thirty-four percent (34%) working interest in this well.

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".

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