

PETRO-REEF RESOURCES LTD.

**TSX Venture Exchange Symbol: PER Common Shares Outstanding: 19,216,713
For Immediate Release Friday August 19, 2005, Calgary, Alberta**

PETRO-REEF RESOURCES ANNOUNCES PRIVATE PLACEMENT

CALGARY, ALBERTA, Friday, August 19, 2005 - Petro-Reef Resources Ltd. (“Petro-Reef” or the “Company”) is pleased to announce that pursuant to the terms of the Offering described in its Press Announcement of July 19, 2005, it has completed the first closing of 1,277,776 Units for an aggregate consideration of \$575,000. The Company expects the balance of the Offering will be completed on or before September 2, 2005.

Petro-Reef is a publicly traded Canadian energy company involved in the exploration, development and production of natural gas and crude oil in western Canada.

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