

PETRO-REEF RESOURCES LTD.
For Immediate Release

TSX Venture Exchange Symbol: PER

Common Shares Outstanding:21,438,926

PETRO-REEF RESOURCES ANNOUNCES PRIVATE PLACEMENT

CALGARY, ALBERTA, Friday, September 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 second closing of a private placement of 2,222,211 Units at a price of \$0.45 per Unit for an aggregate consideration of \$999,995. Each Unit consists of one common share of the Corporation (each a "Common Share") plus a common share purchase warrant (each a "Warrant"). Each Warrant is exercisable to acquire one Common Share at an exercise price of \$0.70 (the "Exercise Price") until February 17, 2007.

Sinalta Investments Ltd. acted as finder for the Offering and was paid a finder's fee of 6.3% of the gross proceeds of the Offering. In addition, Sinalta Investments Ltd. was issued compensation warrants to acquire up to an aggregate of 500,000 common shares exercisable for 18 months at an exercise price of \$0.70. All the shares issued are subject to a four month hold period expiring January 17, 2006.

The Company also announces that Robert N. Maertens-Poole will resign as a Director of the Corporation. Mr. Maertens-Poole remains Chief Financial Officer of the Corporation. Gary W. Coleman will be appointed Assistant Secretary and will resign as a director of the Company. Messrs Richard W. DeVries and N. Gary Van Nest will be appointed as Directors of the Company.

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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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.