

PETRO-REEF RESOURCES LTD.

NEWS RELEASE

TSX Venture Exchange
Symbol PER
Common Shares Outstanding 21,438,924

Calgary, Alberta
September 30, 2005

Petro-Reef Resources Ltd. announces that on September 27, 2005, it granted options to purchase 140,000 Common Shares each to two individuals who became new directors that day, and 40,000 Common Shares each to six individuals who are directors and two individuals who are officers, at an exercise price of \$0.50 per share under the terms of its Stock Option Plan. The stock options will vest over 1 year and expire 5 years from the date of grant.

Immediately prior to this grant, the Company had 1,520,000 stock options outstanding with an average exercise price of \$0.51 per share.

At 6:30 AM today, Friday September 30, 2005, a new well was spudded in the Alexander / Qui Barre area of Central Alberta. The well is licensed to drill to 1225 meters. Petro-Reef has an eighty-five percent working interest.

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

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.