

Petro-Reef Resources Ltd. Announces Flow Through Share Private Placement Financing

Calgary, Alberta – April 02, 2007 – Petro-Reef Resources Ltd. (TSXV: PER; “Petro-Reef” or “the Corporation”) is pleased to announce that it has entered into an engagement letter with Primary Capital Inc. (“Primary”) pursuant to which Primary has agreed, subject to completion of satisfactory due diligence, to sell on a “best efforts” basis, up to a maximum of 1,500,000 common shares (“Flow Through Shares”) at a price of \$2.00 per share on a flow through basis for an aggregate purchase price of \$3,000,000 (\$2,805,000 net of commissions). The closing date is expected to be on or about April 13, 2007, or as otherwise agreed by Petro-Reef and Primary.

Petro-Reef has agreed to pay Primary a commission equal to 6.5% of the gross proceeds raised, and to issue broker warrants (“Broker Warrants”) to it, entitling Primary to purchase up to that number of common shares of Petro-Reef which is equal to 6.5% of the number of Flow Through Shares issued under the Offering, at an exercise price of \$2.00 per share at any time on or before July 25, 2008. These shares will not carry flow through treatment.

The Flow Through Shares will be issued as a private placement to certain investors identified by Primary. The net proceeds received from the sale of the Flow Through Shares will be used to fund the continued exploration and development of Petro-Reef’s properties. Closing is subject to normal regulatory approvals. The Flow Through Shares will be subject to a four month hold period from the closing date.

This news release shall not constitute an offer to sell or the solicitation of an offer to buy the securities in any jurisdiction. Such securities have not been registered under the United States Securities Act of 1933 and may not be offered or sold in the United States without registration or exemption from the registration requirements.

Petro-Reef Resources Ltd. is a Calgary-based junior oil and gas company focused on petroleum and natural gas lease acquisition and exploration, and development of crude oil and natural gas properties in Alberta, Canada.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this news release.

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