

## **Petro-Reef Resources Ltd. Hits Natural Gas Reservoir in Alexander**

**Calgary, Alberta, September 27, 2007** – Petro-Reef Resources Ltd. (TSX-V: PER), is pleased to announce that its new well drilled at 13-6 in Alexander, Alberta in August has been production tested for a period of two days at an absolute open flow rate of 12.762 million cubic feet of natural gas per day with 60 barrels of condensate per day, for a total of 2,187 BOE/D. The Company has a 59% working interest in the well.

Petro-Reef cautions that this absolute open flow rate represents the maximum rate the well could theoretically deliver with zero pressure at the middle of the perforations. This figure should not be viewed as a sustainable daily production rate. In addition, the high flowing pressure rate from the new well at 13-6 will restrict the production from other wells flowing through the Company's central gas plant at 8-1, but is not expected to affect the ultimate reserves produced.

Petro-Reef plans to place the 13-6 well on stream within three weeks at an initial restricted rate.

To date in 2007, the Company has drilled six wells in Alexander, all of which have been successful. Wells drilled at 11-14, 14-1 and 11-27 are all on stream. Further to the news release of July 26, 2007, the Company is waiting for delivery of equipment to tie-in the 10-1 well which tested crude oil in June. This is expected to occur within approximately three weeks. Initial production testing has been completed on a well drilled at 13-33 and will be re-evaluated after Petro-Reef drills an up-dip well at 11-27 or 9-33 which is expected to take place in the first quarter of 2008.

Petro-Reef's current production is approximately 700 BOE/d. By the end October 2007, the Company expects its production to be approximately 1,000 BOE/d.

The Company is in the process of preparing to drill up to an additional 10 wells which, subject to weather conditions and regulatory approvals is expected to take place in the next four months.

**Forward-Looking Statements:** All statements, other than statements of historical fact, set forth in this news release, including without limitation, assumptions and statements regarding reservoirs, resources and reserves, future production rates, exploration and development results, financial results, and future plans, operations and objectives of the corporation are forward-looking statements that involve substantial known and unknown risks and uncertainties. Some of these risks and uncertainties are beyond management's control, including but not limited to, the impact of general economic conditions, industry conditions, fluctuation of commodity prices, fluctuation of foreign exchange rates, environmental risks, industry competition, availability of qualified personnel and management, availability of materials, equipment and third party services, stock market volatility, timely and cost effective access to sufficient capital from internal and external sources. The reader is cautioned that assumptions used in the preparation of such information, although considered reasonable by the corporation at the time of preparation, may prove to be incorrect. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

**Note:** BOE may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

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

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