

Petro-Reef Resources Ltd. Receives Approval for Downspacing

Calgary, Alberta, September 21, 2009 – Petro-Reef Resources Ltd. (TSX-V: PER),

Petro-Reef Resources Ltd. (“Petro-Reef” or the “Corporation”) is pleased to announce it has received regulatory approval for the downspacing of five sections where Petro-Reef has identified up to 25 development oil wells in the Corporation’s core area of Alexander.

Ted Donhuysen, President and CEO of Petro-Reef was quoted as saying:

“The approval of Petro-Reef’s downspacing application is a significant milestone for the Corporation. With the approval in hand, Petro-Reef can commence with the drilling of up to 25 crude oil wells in Alexander. With a typical well producing between 50-100 boe/d and our average working interest in the lands approved for downspacing approximately 80%, the upside potential from this approval is significant. Petro-Reef has the potential to triple production with low risk development oil locations.”

With the downspacing approval, Petro-Reef has commenced with the approval process for three development oil locations in Alexander, each having additional high impact natural gas exploration opportunities in other zones which will be tested. These wells are in addition to the three exploration locations Petro-Reef intends to drill targeting a new high impact on-trend prospect. Petro-Reef anticipates drilling its first exploration well by the end of September, with results anticipated by the middle to the end of October.

Petro-Reef has an additional downspacing application to allow the drilling of up to 25 additional development oil wells in Alexander. Petro-Reef anticipates receipt of approval for this downspacing application in the coming weeks.

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.

Reference is made to barrels of oil equivalent (boe). Barrels of oil equivalent may be misleading, particularly if used in isolation. In accordance with National Instrument 51-101, a boe conversion ratio for natural gas of 6 Mcf: 1 bbl has been used, which 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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