petro-reef
resources ltd.

TSX Venture : PER

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Petro-Reef Announces $6 Million Equity Offering

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Calgary, Alberta, June 14, 2010 - Petro-Reef Resources Ltd. ("Petro-Reef" or the "Company") is pleased to announce that it has entered into an agreement with a syndicate of agents (the "Agents") led by PI Financial Corp., and including Haywood Securities Inc., pursuant to which the Agents have agreed to raise, on a commercially reasonable best efforts agency basis, up to 10,810,900 unit special warrants of the Company (the "Unit Special Warrants ") at an issue price of $0.37 per Unit Special Warrant and up to 4,444,500 flow-through special warrants (the "Flow-Through Special Warrants") at a price of $0.45 per Flow-Through Special Warrant (collectively, the "Special Warrants") for aggregate gross proceeds of up to $6.0 million (the "Offering").

Each Unit Special Warrant will entitle the holder to receive, for no additional consideration and without further action on the part of the holder, one unit of the Company (the "Unit"). Each Unit consists of one common share of the Company (each a "Common Share") and one common share purchase warrant (each a "Warrant"), with each whole Warrant entitling the holder thereof to acquire one Common Share at a price of $0.50 per Common Share for a period of 12 months from the date of issuance. Each Flow-Through Special Warrant will entitle the holder to receive, for no additional consideration and without further action on the part of the holder, one flow-through share (each a "Flow-Through Share") of the Company. The Offering is scheduled to close on or about July 9, 2010 (the "Closing") and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals, including the approval of the TSX Venture Exchange. The Special Warrants will be exercisable by the holder at any time after the Closing and all unexercised Special Warrants will be deemed to be exercised on the earlier of: (a) four months and a day following the Closing; or (b) the 5th business day following the day that a Receipt is issued by the securities regulatory authorities in the Provinces of Alberta, British Columbia and Ontario for a final prospectus qualifying the Units and the Flow-Through Shares to be issued upon the exercise of the Special Warrants.

The Company will use reasonable commercial efforts to file a final prospectus qualifying the Units and Flow-Through Shares issued upon exercise of the Special Warrants pursuant to National Instrument 44-101 and obtain a final passport receipt (the "Receipt") evidencing a receipt for the Prospectus on behalf of each of the securities regulatory authorities in each of the provinces of Alberta, British Columbia, and Ontario, pursuant to Multilateral Instrument 11-102 within 60 days after the date hereof (the "Qualification Deadline"). If a Receipt is not obtained dated on or before the Qualification Deadline, the Company shall nevertheless continue to use its best efforts to obtain such Receipts.

Proceeds of the Offering will be used to fund Petro-Reef's exploration and development program, potential land acquisitions, and for general corporate purposes, with the gross proceeds from the sale of the Flow-Through Special Warrants used to fund ongoing exploration activities eligible for Canadian exploration expenses which will be renounced in favour of the subscribers of the Flow-Through Special Warrants effective on or before December 31, 2010.

About Petro-Reef

Petro-Reef is a Calgary-based junior oil and gas exploration and production company whose activities are primarily focused in the Alexander area situated in central Alberta. Alexander is a multi-zone prospect area with a multi-year drilling inventory and is characterized by a high proportion of freehold lands. The Company operates and own key infrastructure in this area.

Common shares of Petro-Reef are listed for trading on the TSX Venture Exchange under the symbol PER.

This press release shall not constitute an offer to sell or a solicitation of an offer to buy the securities in any jurisdiction. The common shares of Petro-Reef will not be and have not been registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States, or to a U.S. person, absent registration or applicable exemption therefrom.

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ADVISORY: This press release contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the forgoing, these statements concerning the anticipated closing date of the Offering, the anticipated use of the net proceeds of the Offering and all statements in the first paragraph of "About Petro-Reef" are forward looking statements. Although Petro-Reef believes that the expectations reflected in these forward looking statements are reasonable, undue reliance should not be placed on them because Petro-Reef can give no assurance that they will prove to be correct. Since forward looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. The closing of the Offering could be delayed if Petro-Reef is not able to obtain the necessary regulatory and stock exchange approvals on the timelines it has planned. The Offering will not be completed at all if these approvals are not obtained or some other condition to the closing is not satisfied. Accordingly, there is a risk that the offering will not be completed within the anticipated time or at all. The intended use of the net proceeds of the Offering by Petro-Reef might change if the board of directors of Petro-Reef determines that it would be in the best interests of Petro-Reef to deploy the proceeds for some other purpose, such as an acquisition. The forward looking statements contained in this press release are made as of the date hereof and Petro-Reef undertakes no obligations to update publicly or revise any forward looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

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