

Petro-Reef Resources Ltd. Announces Successful Oil Well at Alexander

Calgary, Alberta, September 12, 2011 – Petro-Reef Resources Ltd. (TSX VENTURE:PER) has perforated and tested its recently drilled Alexander 09-12-56-27W4 step-out well in the Detrital oil zone. In 48 hours on test the well flowed at an average oil rate of 296 bbls/day (47 m³/day) with an average gas rate of 495 mcf/day (14 e3m³/day). The 9-12 well is the Company's fourth oil well producing from the Detrital zone all of which have been brought on-stream in the past 18 months. Petro-Reef has a 94-per-cent working interest in the 9-12 well. The well will be tied in during the next six weeks.

This step out well in section 12 confirms that the Detrital oil trend extends west from section 7 and based on geological mapping and interpretation of 3D seismic that there are several additional locations to be drilled. The Company is presently reprocessing all of its 3D seismic data on its Alexander lands to further evaluate its potential. Due to the reserve additions added through the 2011 drilling program the Company is currently updating its independent reserve evaluation and expects to release the results once completed.

Also, the Company would like to provide an update to its August 29, 2011 press release on restricted production volumes for the Alexander 6-7-56-26W4 and 11-7-56-26W4 wells. On August 30, 2011 the Energy Resources Conservation Board (ERCB) notified Petro-Reef in writing that a condition of granting a special MRL (maximum rate limitation) of 20 m³/day/well for an 18 month period without GOR (gas oil ratio) penalty, is the retirement of overproduction. Effective September 1, 2011 both wells have been shut-in pending retirement of the overproduction volumes. The overproduction volumes as calculated by the ERCB will take approximately 125 days (starting September 1, 2011) to fully retire the overproduction. It is anticipated that both wells should be placed back on-stream at a MRL of 20 m³/day each (125 bbls/day) in early January 2012.

Petro-Reef anticipates its net daily production rates should increase to in excess of 1,100 boe/day (42% Oil & NGL) taking into consideration normal production declines with the new well at 9-12 being tied-in and brought on-stream in October, 2011, and GPP (Good Production Practices) production restrictions on 6-7-56-26W4 and 11-7-56-26W4 being lifted in early January, 2012.

	Oil & NGL (bbl/day)	Natural gas (mcf/day)	Total (boe/day)
Current net production	150	3,200	683
Tie-in 9-12-56-26W4	110	250	152
GPP restriction lifted	220	500	303
Total net production	480	3,950	1,138
	42%	58%	100%

The term barrel of oil equivalent may be misleading, particularly if used in isolation. A boe conversion ratio of 6,000 cubic feet per barrel of natural gas to barrels of oil equivalence is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. All boe conversions in the report are derived from converting gas to oil in the ratio mix of 6,000 cubic feet of gas to one barrel of oil.

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