



TSX Venture : PER

970, 10655 Southport Road S.W., Calgary, Alberta T2W 4Y1 CANADA • tel (403) 265-6444 • fax (403) 264-1348

Petro-Reef Announces Corporate Changes and Commencement of Strategic Alternative Analysis

Calgary, Alberta, October 4, 2011
Petro-Reef Resources Ltd. (“Petro-Reef” or the “Company”)
(TSX-V:PER)

Petro-Reef announces that Mr. Theodore M. Donhuysen, President and Chief Executive Officer has elected to retire effective October 1, 2011. The Board of Directors and staff appreciate Mr. Donhuysen’s contributions in his role of development and management of Petro-Reef since 1992. Mr. Donhuysen will remain as a Director and a Consultant to the Company to provide the benefit of his experience and expertise.

Mr. N. Gary Van Nest, a Director, has been appointed as Chairman of the Board and Acting Chief Executive Officer effective October 1, 2011.

The Company also announces the formation of a Special Committee of the Board, comprised of Gary Van Nest (Chair), and fellow directors Allan Rasmuson and Peter Lubey to review strategic options available to the Company on a go forward basis, with the view toward maximizing shareholder value. In this regard, the Company has retained the services of Emerging Equities Inc. of Calgary to act as financial advisor in this process.

The Company is currently updating its reserve report effective October 1, 2011 that is expected to be completed by the end of October. Concurrently the Company is also completing a major integration and reinterpretation of 3D seismic (35 square miles) over its core Alexander property.

On September 30, 2011 the Company increased its revolving operating demand loan with its banker to \$14 million from \$11 million. In addition, the Company renewed its non-revolving development demand loan for a maximum of \$6 million increasing the total credit facility to \$20 million.

Petro-Reef is a Calgary based junior oil and natural gas corporation, engaged in the exploration, development, acquisition and production of natural gas and medium to light gravity crude oil reserves in Alberta.

Petro-Reef’s common shares trade on the TSX Venture Exchange under the symbol PER. The Company’s primary corporate objective is to achieve non-dilutive growth and enhance shareholder value through internal prospect development, strategic production acquisitions and prudent financial management.

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.

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

For Further Information, Please Contact:

N. Gary Van Nest
Chairman and CEO
garyvannest@petro-reef.ca

Hugh M. Thomson
Vice-President, Finance and CFO
hughthomson@petro-reef.ca

Petro-Reef Resources Ltd.
#970-10655 Southport Rd. S.W.
Calgary, Alberta T2W 4Y1
Telephone: (403) 265-6444
Facsimile: (403) 264-1348
Website: www.petro-reef.ca