

## **Petro-Reef Resources secures two drilling rigs, increases interest in core area**

**Calgary, Alberta, March 20, 2006** – Petro-Reef Resources Ltd., a junior oil and gas company operating in Alberta, is pleased to announce that it has secured two drilling rigs to resume its drilling program in its core area of Alexander, Alberta. Petro-Reef has been unable to pursue its program since November 2005 due to industry-wide challenges with rig availability. Because the Company anticipated rig availability issues, the resumed drilling program puts Petro-Reef back on track to achieve its production targets.

As part of the renewed program, Petro-Reef plans to drill five more wells offsetting a successful natural gas discovery in October 2005. In October, the Company announced that it had completed a new natural gas well at 12-28 in its core area of Alexander/Qui Barre. The well tested at 11.91 million cubic feet per day (mmcf/d), equivalent to 1,958 barrels of oil equivalent per day (boe/d). The well was placed on production in December 2005 and has been producing at a stabilized rate of 4.18 mmcf/d (697 boe/d). Petro-Reef's interest in the well is 84 percent before payout of a 400% penalty.

As a result of the success of the 12-28 well drilled in October 2005, Petro-Reef has increased its interest in the Alexander/Qui Barre area by 20 percent, taking its interest in an additional fifteen (15) wells to a range of between 54 percent and 64 percent on 9271 gross acres (4966 net acres) for an average of 51%.

A second well drilled as part of the program in November 2005 was anticipated to produce at 66 bo/d net. This well has since been suspended due to water production. Petro-Reef has a 44 percent interest in the well. Early production from the well was not included in Petro-Reef's 2005 forecasts.

As previously announced, Petro-Reef expects to drill or recomplete up to 30 wells in 2006 rig availability permitting. The Company is currently producing between 600 and 700 boe/d. Petro-Reef is on track to exit 2006 producing between 1,000 boe/d and 1,400 boe/d.

In other news, Petro-Reef has appointed Iradesso Communications Corp., a Calgary investor relations firm, to help communicate its growth plans and results to the investment community. The TSX Venture Exchange requires that the details of the arrangement between Petro-Reef and Iradesso be disclosed. Petro-Reef retained Iradesso on March 1, 2006 to provide investor relations consulting services at a rate of \$3,600 per month for a minimum of three months. Iradesso's role includes redesigning Petro-Reef's website to ensure it caters to investors, answering investor questions and proactively sharing the Petro-Reef story with professional investors. After the initial three months, the contract will continue indefinitely until either party gives 30 days' notice. The key individual from Iradesso who will work with Petro-Reef is Vice-President Geoffrey Vanderburg. Mr. Vanderburg is a former journalist and communications advisor.

Petro-Reef Resources Ltd. is a Calgary-based junior oil and gas company focused on petroleum and natural gas lease acquisition and exploration, and development of crude oil and natural gas properties in Alberta, Canada.

**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 (boe) may be misleading, particularly if used in isolation. In accordance with N1 51-101, a boe conversion ratio for natural gas of 6 Mcf: 1bbl has been used. This conversion 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 has not reviewed and does not accept responsibility for the adequacy or accuracy of this news release.

**For further information, please contact:**

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