

## **Petro-Reef Resources reports initial drilling success at Alexander, Alberta**

**Calgary, Alberta, May 9, 2006** – Petro-Reef Resources Ltd. (TSX-V:PER), a junior oil and gas company operating in Alberta, is in the process of completing a five-well drilling program offsetting its October 2005 natural gas discovery in Alexander, Alberta. Based on the initial success of the program announced on March 20, 2006, Petro-Reef plans to drill a sixth well in the area within two weeks. Petro-Reef expects to drill up to 25 wells (11.94 net) in 2006 (including the previously announced five well drilling program), rig availability permitting.

Petro-Reef's gas discovery at 12-28 in the Alexander area of Alberta has continued to produce at 4.18 million cubic feet of natural gas per day (697 barrels of oil equivalent per day) since it was put on production in December. The company's interest in the well is 84% (585 boe/d) until revenue from the well reaches 400% of drilling costs. Petro-Reef's interest then reverts to 34%.

The first well offsetting the 12-28 natural gas discovery was drilled at 12-33. Based on well logs, Petro-Reef believes it has hit the same natural gas zone as the 12-28 and identified a previously unknown oil zone. The company has set production casing and expects to complete the well within two weeks. Petro-Reef has a 54% interest in the well.

The second well in the five-well program was drilled at 6-1. Production casing was set and the well has been perforated, fractured and swabbed. Based on the encouraging results of the swab test, Petro-Reef has started a 30-day production test. Petro-Reef's interest in the well is 44%.

The third well in the program was drilled at 5-31. The company has identified a pay zone containing both oil and natural gas. Petro-Reef anticipates starting a 30-day production test on the well in the oil zone within the next week. Petro-Reef has a 64% interest in the well.

The fourth well was drilled at 13-21. The well was deemed to be uneconomic and has been abandoned. The company had a 54% interest in the well.

The fifth well of the program is to be drilled in the next two weeks at 11-27 where Petro-Reef has a 54% working interest.

**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: 1bbl 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 has not reviewed and does not accept responsibility for the adequacy or accuracy of this news release.

**For further information, please contact:**

Joseph Werner                      or  
President and CEO

Theodore M. Donhuysen  
Vice-President Exploration and Production, and COO

Petro-Reef Resources Ltd.  
2020, 800 – 5<sup>th</sup> Avenue S.W.  
Calgary, Alberta T2P 3T6  
Telephone (403) 265-6444  
Facsimile: (403) 264-1348  
E-mail: [info@petro-reef.ca](mailto:info@petro-reef.ca)  
Web Site: [www.petro-reef.ca](http://www.petro-reef.ca)

or

Geoffrey Vanderburg  
Iradesso Communications Corp.  
(403) 503-0144 ext. 203  
[gvanderburg@iradesso.com](mailto:gvanderburg@iradesso.com)