



Reef Resources Ltd.

Press Release

REEF RESOURCES LTD. ANNOUNCES SPUDDING OF NORTH AIRPORT #1 WELL.

January 3, 2012 - Calgary, Alberta – Reef Resources Ltd. (REE – TSX.V) ("Reef" or the "Company") reports spudding of its North Airport #1 well on December 29, 2011. The North Airport well is an exploration well located approximately 1 km north of the Company's Airport South reef with a targeted drill depth of 608 meters. Seismic data indicates the North Airport reef is potentially a gas and liquids prone reef, similar to Airport South.

Subject to positive drilling results, production from North Airport #1 will be tied into the Ausable process facility for the Company's Enhanced Oil Recovery (EOR) program. Produced gas will be used for re-pressurization of the Ausable reef in order to increase oil production and natural gas liquids production recovered from the gas recycle process. As stated in previous press releases, the EOR and Gas Recycle program being executed in the Ausable Reef involves pressurizing the reef formation with our own produced gas from the Airport South reef and, potentially, the North Airport well. To accelerate the EOR program the Company also has the option of purchasing natural gas from the local utility for recycling.

Completion and testing the Upper Guelph and A2 gas zones for Airport South # 1 will be executed in the 1st Qtr of 2012. Pipeline material and well site separation equipment for tie-in of the suspended Airport #1 South gas well has arrived on site with construction expected to begin by mid-January (weather permitting). All components required for the previously announced field optimization program for the Ausable #2, #4 and #5 wells has arrived on-site and will be initially installed in Ausable # 5 and then rolled out to Ausable #2 and Ausable #4 over the next few weeks. Production from the upgraded pumping system will be commissioned as soon as they are connected to the Ausable facility.

For more information please contact:

Arnie Hansen
President & CEO
T: (403) 651-7871
2020 – 801 6 Ave SW
Calgary, AB T2P 3W2

Larry Olson
Vice President, Finance
T: (250) 460-2640

Footnote: The Company's Ontario asset has gas storage rights, gas re-injection permit for gas recycle, NGL recovery, enhanced oil recovery and arbitrage. A key component of Reef's Ontario strategy is to identify and exploit undervalued prospects in the Ontario basin by utilizing the company's 23,500 acres of proprietary 3D seismic. In addition to its Ontario Properties, Reef has identified multiple oil and gas acquisition and development opportunities throughout Canada.

Forward Looking Statements — This news release contains certain forward-looking statements, which include assumptions with respect to the valuation of Reef's reserves, funds raised from a financing and future capital expenditures. The reader is cautioned that assumptions used in the preparation of such information may prove to be incorrect. All such forward looking statements involve substantial known and unknown risks and uncertainties, certain of which are beyond the Company's control. Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release

and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. Not for distribution to US Newswire Services for dissemination in the United States.