



Reef Resources Ltd.

Press Release

REEF RESOURCES LTD. ANNOUNCES FIRST CLOSING OF ITS BROKERED PRIVATE PLACEMENT AND AUSABLE #1 FLOW TEST.

November 24, 2011 - Calgary, Alberta – Reef Resources Ltd. (REE – TSX.V) ("Reef" or the "Company") is pleased to announce that it has closed on its first tranche of a brokered private placement (the "Financing") for aggregate gross proceeds of \$1,688,225 through the sale of 900,000 non-flow through Units of the Company ("Unit") at a price of \$0.10 per Unit and 14,524,781 "flow-through" common shares of the Company ("Flow-Through Shares") at a price of \$0.11 per Flow-Through Share. The Company will continue to seek additional investors to close the remainder of the maximum \$2.5million brokered private placement as announced on November 2, 2011.

Each Unit is comprised of one common share of the Company ("Common Share") and one-half of one Common Share purchase warrant of the Company ("Warrant"). Each Warrant will be exercisable into one Common Share for a period of 12 months from the closing of the Financing (the "Closing Date") at an exercise price of \$0.25 per share.

The Company paid finders' fees in the aggregate amount of 8% cash to Jacob Securities and the selling group of brokers and granted 1,233,982 Broker Warrants. Each Broker Warrant entitles the holder to purchase one Common Share for a period of 12 months from the Closing Date at an exercise price of \$0.10.

The securities issued by the Company in connection with this offering are subject to a statutory four month hold period which expires on March 25, 2012.

The closing of this tranche of Brokered Private Placement will trigger Solo Oil Plc., an AIM listed company, to acquire an additional 14.3% Working Interest in Reef's Ontario properties for \$1.5 million. Solo Oil Plc currently holds a 23.8% Working Interest.

The funds secured by Reef as a result of the Working Interest sale and Financing will be used to roll out of the successfully tested hydraulic venturi system in all producing wells at the Ausable field to increase production, to drill and complete additional well(s) in the producing Ausable pinnacle reef, tie-in an existing standing gas well in the Airport South reef, complete two additional bypass gas zones at the Airport well and, if required, acquire additional natural gas for re-injection into the Ausable reef.

Production optimization Update:

The Company has successfully completed testing of the hydraulic venturi pump design in the Ausable # 1 well. Flow test results indicate an initial production rate of 63 bopd. Through the test period the Company obtained flow rates at various wellhead pressures to help model the production impact of gas re-pressurization. Under the EOR program, reservoir analysis and pressure data acquired to date indicates re-pressurization of the reservoir, in conjunction with the improved pumping system, will have a significant positive impact on overall field production and recovery factors. Further updates will be released as plans are confirmed and when further wells, including the Ausable #5, are placed on production.

The Company is additionally finalising a new reserves report for the Ausable reef and expects to release the results of that work shortly.

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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.

The term barrels of oil equivalent ("BOE") may be misleading, particularly if used in isolation. In accordance with NI 51-101, a BOE conversion ratio of six thousand cubic feet per barrel (6mcf/bbl) 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 herein are derived from converting gas to oil in the ratio mix of six thousand cubic feet of gas to one barrel of oil.

***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.*

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