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Reef Resources Ltd. Provides Update of Ontario Operations and Progress

CALGARY, ALBERTA--(Marketwire - Feb. 15, 2012) - Reef Resources Ltd. (TSX VENTURE:REE) ("Reef" or the "Company") reports that substantial further progress has been made on a number of field activities associated with the ongoing development of the Ausable Gas Recycling and Enhanced Oil Recovery (EOR) project.

- The recent cold weather in Ontario has improved conditions for completing the pipeline between the existing South Airport gas well and the Ausable process facility. Once the pipeline welding is completed the required road bores will be conducted.
- The reversal of the Union Gas meter, which will allow the Company to purchase natural gas for re-injection in the Ausable reef, is tentatively scheduled for February 27th. Piping modifications at the facility will commence once the gas flow is reversed. This will allow initiation of the gas re-injection scheme. Additionally, gas and gas liquids from South Airport will also be used for re-injection once the pipeline is completed and commissioned.
- The workover program for installation of a production packer in Ausable #1 well is being initiated to coincide with the planned meter reversal. This will isolate the top set of three perforations and will allow for planned gas reinjection into the uppermost section of the Ausable reef.
- A larger inlet separator has been sourced in Alberta and following minor upgrades will be shipped to Ontario. The larger separator is designed to handle higher oil, water and natural gas volumes associated with the venturi pumping system. Facility upgrades associated with the larger separator will accommodate production from all the Ausable and Airport wells.
- The new high pressure surface venturi pump skid design is completed and the Company is currently sourcing qualified fabricators for skid packaging. The new pump package will accommodate all current and future planned wells.
- After commissioning trials on the Ausable #5 venturi pump, a downhole valve requires replacement. A service rig is required in order to retrieve and re-run the down hole assembly and it is hoped this work can be undertaken in the next 10 days. Oil production from Ausable #5 and Ausable #1 is being hampered by the formation of waxes at the pump inlet level approximately 560 metres below surface. This is due to abnormally low reservoir temperatures and further hampered by low ambient temperatures. A gas-fired line heater will be installed to heat high pressure water to service the venturi pumps on all wells. This will increase pump inlet temperatures at the bottom of the well which in turn will mitigate any wax build up at the venturi pump and in the tubulars.
- The North Airport well is proceeding as planned and is currently at 194 metres. Cementing of the surface casing is anticipated within the next 10 days.

Arnie Hansen, Reef President commented: "All the components for initiating the EOR program are coming together and we can now look forward to realizing the production benefits once all the current projects are commissioned and on stream. The Company is hopeful that with the EOR scheme fully

implemented it can hit its target of 200 boed by mid-year and exit 2012 with net production of up to 500 boed."

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.

This release includes certain statements that may be deemed "forward-looking statements". All statements in this release, other than statements of historical facts, that address future production, reserve potential, exploration drilling, exploitation activities and events or developments that the Company expects are forward-looking statements. Although the Company believes the expectations expressed in such forward looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and those actual results or developments may differ materially from those projected in the forward - looking statements. For more information on the Company, Investors should review the e Company's registered filings which are available at www.sedar.com.

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Barrel ("bbl") of oil equivalent ("boe") amounts may be misleading particularly if used in isolation. All boe conversions in this report are calculated using a conversion of six thousand cubic feet of natural gas to one equivalent barrel of oil (6 mcf=1 bbl) and is based on an energy conversion method primarily applicable at the burner tip and does not represent a value equivalency at the well head.

Trading in the securities of Reef Resources Ltd. should be considered highly speculative. Neither the 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.

Contact Information

Reef Resources Ltd.
Arnie Hansen
President & CEO
(403) 651-7871
2020 - 801 6 Ave SW
Calgary, AB T2P 3W2

Reef Resources Ltd.
Larry Olson
Vice President, Finance
(250) 460-2640