

UNITED REEF LIMITED

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PRESS RELEASE

UNITED REEF CLOSES PRIVATE PLACEMENT OF \$708,000

United Reef Limited (URPL – CNQ) is pleased to announce that it has closed a private placement of 7,080,000 Units at a price of \$0.10 per Unit with individual and institutional investors for total proceeds of \$708,000 (the “Offering”). Each Unit consists of one common share plus one-half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one additional common share of United Reef at a price of \$0.15 for a period of eighteen months from today. The Offering was over subscribed by \$208,000.

The net proceeds of the Offering will be used to fund United Reef’s due diligence costs associated with its potential investment in a Central African Republic oil & gas project (previously announced on May 18 and June 18, 2004) and for general working capital purposes.

Completion of the oil & gas transaction is subject to a number of matters, including but not limited to, completion of a due diligence review of the project, an ongoing assessment of the political risk associated with the Central African Republic and United Reef’s ability to finance its share of expenditures to earn its potential interest in the project.

The Company was assisted in marketing the Offering by Credifinance Securities Limited on a non-exclusive basis. In consideration for their services, United Reef agreed to compensate Credifinance by the payment of an 8% cash commission and to issue to Credifinance broker’s warrants (the “Broker Warrants”) equal to 10% of the total number of Units sold in the Offering by Credifinance to its clients. Each Broker Warrant entitles the holder to purchase one Unit at a price of \$0.10 for a period of 18 months from today.

On completion of the Offering, United Reef has a total of 50,702,453 common shares issued and outstanding.

Investors in United Reef’s securities are cautioned that, except as disclosed by United Reef in its ongoing disclosure documents, including its monthly progress reports filed with CNQ in connection with the transaction, any information released or received with respect to the Company’s participation in the oil & gas project may not be accurate or complete and should not be relied upon. Trading in the securities of United Reef should be considered highly speculative.

United Reef’s common shares are listed for trading on the Canadian Trading and Quotation System (“CNQ”) under the symbol “URPL”. CNQ recently announced that it has received Ontario Securities Commission recognition as a stock exchange.

For further information about United Reef, please visit our website at www.unitedreef.com or contact Michael Coulter, President at 416-368-3332.