

UNITED REEF LIMITED

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July 12, 2004

Toronto, Ontario

PRESS RELEASE**GRANT OF STOCK OPTIONS**

United Reef Limited (URPL – CNQ) said that it has granted the following stock options to the two recently appointed directors of the Company. The stock options have been granted pursuant to the terms of the Company’s 2003 Stock Option Plan (the “Plan”). A total of 4,000,000 common shares of the Company are reserved for grant under the Plan.

Name of Optionee	Relationship to Company	Number of Stock Options Granted	Exercise Price	Expiry Date
Richard J. Lachcik	Director	400,000	\$0.15	July 12, 2007
Robert W. Jackson	Director	400,000	\$0.15	July 12, 2007

One-quarter of the above stock options shall vest on each of the date of grant, and the 6 month, 12 month and 18 month anniversaries of the date of grant. Each stock option gives the option holder the right to purchase one common share of the Company.

Immediately following the grant of the above stock options the Company has a total of 3,200,000 stock options outstanding. The Company has a total of 50,702,453 common shares issued and outstanding.

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

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