

UNITED REEF LIMITED

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PRESS RELEASE

NICKEL OFFSETS OPTION EXERCISED

United Reef Limited (URPL-CNQ) is pleased to announce that it has received notice from International CHS Resource Corporation (ICJ-TSXV) (“CHS”), that CHS is exercising the option granted to CHS in August 2004 to earn an interest in United Reef’s wholly-owned Nickel Offsets property, 40 kilometres northwest of Sudbury, Ontario. CHS has further advised United Reef that CHS has closed a financing for gross proceeds of \$750,000, which was a condition of exercising the option. United Reef has granted CHS the right to earn a 50% working interest in the Nickel Offsets property.

To earn their interest CHS has agreed to expend a total of \$2.8 million in staged exploration expenditures on the property over the next 4 years. In addition, during the option earn-in period, CHS will make aggregate cash payments of \$107,000 and issue 400,000 CHS common shares to United Reef. United Reef will remain the operator of the project and manage recommended exploration programs, to be funded by CHS, until such time as CHS has earned their 50% interest in the project. Once CHS has earned their interest they will become the operator of the project.

CHS will commit \$350,000 of their financing to fund their first year’s exploration expenditure commitment on the property. A recommended program is contained in a report by A.C.A. Howe International Limited which is summarized in United Reef’s press release of September 21, 2004. It is anticipated that the exploration program will commence during January 2005. Further information on the Nickel Offsets project can be found on United Reef’s website at www.unitedreef.com.

United Reef also said it was pleased to report that 200,000 common share purchase warrants were exercised by the holders to purchase 200,000 common shares at \$0.15 per share prior to their expiry on December 13, 2004. The Company received gross proceeds of \$30,000 on exercise of the warrants. The remaining 100,000 warrants expiring on December 13th, expired unexercised. United Reef now has 52,902,453 common shares issued and outstanding.

United Reef’s common shares are listed for trading on the Canadian Trading and Quotation System Inc. (“CNQ”) under the symbol “URPL”. 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.