FORM 51-101F1
STATEMENT OF RESERVES DATA
AND OTHER OIL AND GAS INFORMATION

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PART 1 DATE OF STATEMENT

1.1 Relevant Dates

1. Date the statement: April 30, 2004
2. Effective date: January 1, 2004
3. Preparation date: Between January and April 1, 2004.

PART 2 DISCLOSURE OF RESERVES DATA

2.1 Reserves Data (Constant Prices and Costs)

2.1.1 Reserves Gross and Net (Constant Prices and Costs)

Summary of Oil and Gas Reserves as of January 1, 2004 Constant Prices and Costs						
Reserves						
	Light and Medium Oil		**Natural Gas** [1]		**Natural Gas Liquids**	
Reserves Category	**Gross (Mbbl)**	**Net (Mbbl)**	**Gross (MMcf)**	**Net (MMcf)**	**Gross (Mbbl)**	**Net (Mbbl)**
Proved						
Developed Producing	13.9	11.7	1,019	925	3.0	2.7
Developed Non-Producing	4.7	4.2	225	192	4.6	3.1
Undeveloped	0.0	0.0	332	284	0.0	0.0
Total Proved	**18.7**	**15.9**	**1,576**	**1,401**	**7.6**	**5.8**
Probable	13.3	11.4	1,425	1,174	10.3	7.4
Total Proved Plus Probable	**32.0**	**27.2**	**3,001**	**2,575**	**17.9**	**13.2**

Note:

1) Includes solution gas.

2.1.2 Present Value of Future Net Revenue (Constant Prices and Costs)

Summary of Net Present Values of Future Net Revenue as of January 1, 2004 Constant Prices and Costs				
	Net Present Values of Future Net Revenue			
	Before Income Taxes [2] Discounted at (% / Year)		After Income Taxes [2] Discounted at (% / Year)	
Reserves Category	**0 (M$)**	**10 (M$)**	**0 (M$)**	**10 (M$)**
Proved				
Developed Producing	4,492	3,440	4,054	3,122
Developed Non-Producing	1,153	950	735	601
Undeveloped	1,229	823	839	556
Total Proved	**6,873**	**5,212**	**5,628**	**4,279**
Probable	6,404	4,277	4,124	2,710
Total Proved Plus Probable	**13,277**	**9,490**	**9,752**	**6,990**

Notes:

1) NPV of FNR include all resource income:
   - Sale of oil, gas, by-product reserves
   - Processing third party reserves
   - Other income

2) Income Taxes
   - Includes all resource income
   - Apply appropriate income tax calculations
   - Include prior tax pools

2.1.3 Future Net Revenue (Constant Prices and Costs)

Total Future Net Revenue (Undiscounted) as of January 1, 2004 Constant Prices and Costs								
Reserves Category	**Revenue (M$)**	**Royalties (M$)**	**Opera-ting Costs (M$)**	**Develop-ment Costs (M$)**	**Well Abandon-ment Costs (M$)**	**Future Net Revenue Before Income Taxes (M$)**	**Income Taxes (M$)**	**Future Net Revenue After Income Taxes (M$)**
Proved Reserves	12,988	2,326	2,326	83	147	6,873	1,269	5,628
Total Proved Plus Probable	24,218	4,428	6,226	119	168	13,277	3,525	9,752

2.1.4 By Production Group-Future Net Revenue before Income Tax (Using Constant Prices and Costs – Using a discount rate of 10 percent).

Net Present Value of Future Net Revenue By Production Group as of January 1, 2004 Constant Prices and Costs		
Reserves Category	**Production Group**	**Future Net Revenue Before Income Taxes (Discounted at 10% Year) (M$)**
Proved Reserves	Light and Medium Crude Oil (including solution gas and other by-products)	318
	Natural Gas (including by-products but excluding solution gas from oil wells)	4,809
Proved Plus Probable Reserves	Light and Medium Crude Oil (including solution gas and other by-products)	523
	Natural Gas (including by-products but excluding solution gas from oil wells)	8,881

2.2 Reserves Data (Forecast Prices and Costs)

2.2.1 Reserves Gross and Net (Forecast Prices and Costs)

Summary of Oil and Gas Reserves
as of January 1, 2004
Forecast Prices and Costs

Reserves

	Light and Medium Oil		Natural Gas [1]		Natural Gas Liquids	
Reserves Category	**Gross (Mbbl)**	**Net (Mbbl)**	**Gross (MMcf)**	**Net (MMcf)**	**Gross (Mbbl)**	**Net (Mbbl)**
Proved						
Developed Producing	13.9	11.7	973	893	2.8	2.6
Developed Non-Producing	4.7	4.2	225	192	4.6	3.2
Undeveloped	0.0	0.0	315	276	0.0	0.0
Total Proved	**18.7**	**15.9**	**1,513**	**1,362**	**7.4**	**5.7**
Probable	13.3	11.4	1,418	1,167	10.2	7.4
Total Proved Plus Probable	**32.0**	**27.3**	**2,931**	**2,527**	**17.6**	**13.1**

Note:

1) Includes solution gas.

2.2.2 Net Present Value of Future Net Revenue (Forecast Prices and Costs)

Summary of Net Present Values of
Future Net Revenue
as of January 1, 2004
Forecast Prices and Costs

	Net Present Values of Future Net Revenue									
	Before Income Taxes [2] Discounted at (% / Year)					After Income Taxes [2] Discounted at (% / Year)				
Reserves Category	**0 (M$)**	**5 (M$)**	**10 (M$)**	**15 (M$)**	**20 (M$)**	**0 (M$)**	**5 (M$)**	**10 (M$)**	**15 (M$)**	**20 (M$)**
Proved										
Developed Producing	2,829	2,546	2,333	2,166	2,031	2,871	2,568	2,344	2,173	2,037
Developed Non-Producing	773	710	661	621	587	496	454	421	394	372
Undeveloped	736	608	515	445	390	491	405	341	294	257
Total Proved	**4,337**	**3,865**	**3,509**	**3,231**	**3,008**	**3,858**	**3,426**	**3,106**	**2,861**	**2,666**
Probable	4,109	3,395	2,926	2,592	2,339	2,662	2,190	1,880	1,659	1,492
Total Proved Plus Probable	**8,446**	**7,260**	**6,435**	**5,823**	**5,347**	**6,520**	**5,616**	**4,985**	**4,520**	**4,158**

Notes:

1) NPV of FNR include all resource income:
   - Sale of oil, gas, by-product reserves
   - Processing third party reserves
   - Other income

2) Income Taxes
   - Includes all resource income
   - Apply appropriate income tax calculations
   - Include prior tax pools

2.2.3 Future Net Revenue (Forecast Prices and Costs)

Total Future Net Revenue
(Undiscounted)
as of January 1, 2004
Forecast Prices and Costs

Reserves Catergory	Revenue (M$)	Royalties (M$)	Opera-ting Costs (M$)	Develop-ment Costs (M$)	Well Abandon-ment Costs (M$)	Future Net Revenue Before Income Taxes (M$)	Income Taxes (M$)	Future Net Revenue After Income Taxes (M$)
Proved Reserves	9,978	1,738	3,668	85	150	4,337	504	3,833
Total Proved Plus	18,937	3,411	6,769	120	191	8,446	1,926	6,520
Probable								

2.2.4 By Production Group-Future Net Revenue before Income Tax (Using Forecast Prices and Costs – Using a discount rate of 10 percent).

Net Present Value of Future Net Revenue By Production Group As of January 1, 2004 Forecast Prices and Costs		
Reserves Category	**Production Group**	**Future Net Revenue Before Income Taxes (Discounted at 10% / Year) (M$)**
Proved Reserves	Light and Medium Crude Oil (including solution gas and other by-products)	198
	Natural Gas (including by-products but excluding solution gas from oil wells)	3,225
Proved Plus Probable Reserves	Light and Medium Crude Oil (including solution gas and other by-products)	332
	Natural Gas (including by-products but excluding solution gas from oil wells)	6,017

PART 3 PRICING ASSUMPTIONS

3.1.1 Constant Prices Used in Estimates

Oil: Edmonton Par $40.68 per Bbl.
Natural Gas: Alberta AECO-C $6.88 per Mcf
Natural Gas By Products: Pentanes Plus $44.18 per Bbl.

3.2.1 Forecast Prices Used in Estimates

Summary of Pricing and Inflation Rate Assumptions as of January 1, 2004 Forecast Prices and Costs						
	Oil			**Natural Gas Liquids**		
Year	**WTI Cushing Oklahoma ($US / bbl)**	**Edmonton Par Price 40º API ($Cdn / bbl)**	**Natural Gas [1] AECO Gas Prices ($Cdn / MMBtu)**	**Pentanes Plus FOB Field Gate ($Cdn / bbl)**	**Inflation Rate [2] (% / Yr)**	**Exchange Rate [3] ($US / $ Cdn)**
Historical [4]						
2000	30.30	44.03	5.07	46.27	1.5	0.674
2001	25.94	39.06	6.23	42.46	2.0	0.646
2002	26.09	40.12	4.04	40.80	2.7	0.637
2003	31.13	43.21	6.66	44.14	2.5	0.716
Issuer's Weighted Average 2003 Prices						
	-	38.82	6.42	-	-	-
Forecast						
2004	29.63	37.99	6.04	38.91	1.5	0.75
2005	26.80	34.24	5.36	35.07	1.5	0.75
2006	25.76	32.87	4.80	33.67	1.5	0.75
2007	26.14	33.37	4.91	34.17	1.5	0.75
2008	26.53	33.87	4.98	34.69	1.5	0.75
Thereafter			Various Escalation Rates			

Notes

1) This summary table identifies benchmark reference pricing schedules that might apply to a reporting issuer.
2) Inflation rates for forecasting prices and costs.
3) Exchange rates used to generate the benchmark reference prices in this table.

4) Item 3.2 (1) (b) of Form 51-101F1 also requires disclosure of Petro-Reef's weighted average historical prices for the most recent financial year (2003, in this example).

Notes: Product sale prices will reflect these reference prices with further adjustments for quality and transportation to point of sale.

Pricing assumptions were provided by a qualified reserves evaluator who is independent of Petro-Reef Resources Ltd.

The qualified reserves evaluator is Sproule Associates Limited.

PART 4 RECONCILIATIONS OF CHANGES IN RESERVES AND FUTURE NET REVENUE

4.1 Reserves Reconciliation

	Oil Proved Mstb	**Probable Mstb**	**P+P Mstb**	**Non-Associated Gas Proved MMcf**	**Probable MMcf**	**P+P MMcf**	**MBOE Basis Proved MBOE**	**Probable MBOE**	**P+P MBOE**
Starting Balance @ Dec 31, 2002	118.2	0.0	118.2	1573	130	1703	380.4	21.7	402.0
2003 Production	2.2	0.0	2.2	130	0	130	23.9	0.0	**23.9***
Discoveries	13.9	9.4	23.3	413	188	601	82.7	40.7	123.5
Acquisitions	0.0	0.0	0.0	0	250	250	0.0	41.7	41.7
Revisions	-111.4	3.9	-107.5	-418	863	445	-181.1	147.7	-33.3
Closing Balance @ Dec 31, 2003	18.7	13.3	32.0	1479	1394	2873	265.2	245.6	510.8

*** Note:** Total production for fiscal year 2003 was 27.2 MBOE.
The difference between reported production and that reported above is due to production from properties which were not assigned reserves under the proved or probable categories by the independent reserves evaluator.

4.2 Future Net Revenue Reconciliation (Constant Prices & Costs)

For Proven Reserves Only @ 10% Discount of NPV

	Oil & Non-Associated Gas Proved Only $ @ 10% NPV
Starting Balance @ Dec 31, 2002	5931.3
2003 Production	-671.7 *
Acquisitions	0
Discoveries (1)	1606.0
Net Revisions (2)	-1653.6
Closing Balance Dec 31, 2003	5212.0

* The different dollar amount between the fiscal year production from the proved reserves of $671,700 and the net revenue from the company's properties of $620,800 is $50,900.
The $50,900 difference are operating expenses from properties which have not been assigned reserves.

Note (1) Discoveries of proved reserves were assigned by the independent reserves evaluator to two (2) wells in the Alexander Field.

Note (2) Net Revisions of $1,653,600 were due to the change in evaluation of reserves under national policy 51-101 versus policy 2B used in the previous year.

4.2.1 Additional changes were due to changes used in the Constant Price forecasts for December 31 in fiscal years 2002 and 2003 as follows:

		December 31, 2002 Price $	**December 31, 2003 Price $**
Oil : Edmonton Par		$ 35.66/stb	$40.68/stb
Natural Gas (AECO-C)		$ 5.71/Mcf	$6.88/Mcf
Natural Gas By Products:	Pentanes Plus	$44.18/bbl	$35.66/bbl
	Butanes	$37.73/bbl	
	Propane	$31.67/bbl	

4.2.2 The difference in future development costs of proven undeveloped reserves from Dec. 31, 2002 to Dec. 31, 2003 is as a result of:

a) development expenditures made during fiscal year 2003 and;
b) change in development cost of proven undeveloped reserves as of Dec. 31, 2003.

4.2.3 The net change in income taxes are due to expenditures on properties during fiscal year 2003.

The changes in tax pools are as follows:

	COGPE	CDE	CEE	Class 39 & 41	Class 8	Total	Successor
Opening balance per PwC	941,728	956,239	1,373,647	513,791	27,764	3,813,169	800,760
Opening balance per Tax return	870,539	591,043	1,807,160	502,136	23,110	3,793,988	790,742
Current additions	68,768	167,632	1,316,129	1,330	0	1,553,859	
Clearing account additions	0	0	0	0			
Disposals	0	0	0	0		0	
Tax pool available	939,307	758,675	3,123,289	503,466	23,110	5,347,847	790,742
Successor pools – Black Inc (COGPE was included in opening balance)							-357,590.00
Successor pools – Black Inc (CEE)			67,753.00			67,753.00	-67,753.00
Tax pool available						5,415,600.00	
Claim rate	10%	30%	100%	25%	20%		
Maximum claim	93,931	227,603	3,191,042	129,113	5,553	3,647,241	365,399
Actual claim	0	0	45,243	0	0	45,243	
Closing balance	939,307	758,675	3,145,799	503,466	23,110	5,370,357	365,399

PART 5 ADDITIONAL INFORMATION RELATING TO RESERVES DATA

5.1 Undeveloped Reserves

5.1.1 Proved Undeveloped Reserves

Proved Undeveloped Reserves are those reserves expected to be recovered from known accumulations where a significant expenditure is required to render them capable of production and meet the proved reserves classification. Total net capital expenditures for 2004 and 2005 are anticipated to be $50,000.

Total capital net to Petro-Reef remaining at the preparation date are:
4-19-56-24W4 : $38,300
15-25-56-25W4: $ 1,500

5.1.2 Probable Undeveloped Reserves

No probable undeveloped reserves were assigned by the independent qualified reserves evaluator, therefore no capital expenditures are anticipated. All the probable category reserves are probable developed.

5.2 Significant Factors or Uncertainties

There are no economic factors or significant uncertainties that affect particular components of the reserves data.

5.3 Future Development Costs

5.3.1 Development Costs of Future Net Revenue

Proved Reserves (Constant Prices and Costs)		**Proved Reserves (Forecast Prices and Costs)**		**Proved Plus Probable Reserves (Forecast Prices and Costs)**	
Undiscounted	Discount @ 10%	Undiscounted	Discount @ 10%	Undiscounted	Discount @ 10%
$83,000	$71,000	$85,000	$73,000	$120,000	$107,000

5.3.2 Development Costs of Future Net Revenue (by year)

a) Proved Reserves (Constant Prices and Costs)

2004	$50,000
2005	0
2006	0
2007	$30,000
2008	0

b) Proved Reserves (Forecast Prices and Costs)

2004	$50,000
2005	0
2006	0
2007	$31,000
2008	0

c) Proved Plus Probable Reserves (Forecast Prices and Costs)

2004	$86,000
2005	0
2006	0
2007	$31,000
2008	0

PART 6 OTHER OIL AND GAS INFORMATION

6.1 Oil and Gas Properties and Wells

Petro-Reef's two main properties representing 97.3% of its net present value (for proved plus probable reserves using 10% discounted values – before income taxes) are located in Central Alberta.

6.1.1 Producing Versus Non-Producing Reserves

Following are properties to which reserves have been attributed and are capable of producing but which are not producing as of the effective date, the percentage of those reserves to the total reserves, and the percentage of those reserves that are non-producing as of the date of this statement.

a) (i) Alexander
Total Proved plus Probable Reserves

CRUDE OIL			**NATURAL GAS ***		
	Company			Company	
Gross MBbl	Gross MBbl	Net MBbl	Gross MMCF	Gross MMCF	Net MMCF
94.1	32.0	27.3	3717	1460	1449

(ii) Proved plus Probable Non-Producing Reserves (@ Dec. 31, 2003)

CRUDE OIL			**NATURAL GAS ***		
	Company			Company	
Gross MBbl	Gross MBbl	Net MBbl	Gross MMCF	Gross MMCF	Net MMCF
41.2	8.6	7.7	651	124	96
Percentage of Total Reserves Non-Producing	%	%		%	%
	26.9	28.2		8.5	6.6

(iii) Total Proved plus Probable Non-Producing Reserves (@ April 30, 2004)

CRUDE OIL			**NATURAL GAS ***		
	Company			Company	
Gross MBbl	Gross MBbl	Net MBbl	Gross MMCF	Gross MMCF	Net MMCF
41.2	8.6	7.7		16	12
Percentage of Total Reserves Non-Producing	%	%		%	%
	26.9	28.2		1.1	0.8

*** Includes solution gas**

Note: Remaining non-producing reserves are non-operated properties.

b) Morinville

(i) Total Proved plus Probable Reserves

CRUDE OIL			**NATURAL GAS ***		
	Company			Company	
Gross MBbl	Gross MBbl	Net MBbl	Gross MMCF	Gross MMCF	Net MMCF
0	0	0	4121	1418	1221

(ii) Total Proved plus Probable Non-Producing Reserves (@ Dec. 31, 2003)

CRUDE OIL			**NATURAL GAS ***		
	Company			Company	
Gross MBbl	Gross MBbl	Net MBbl	Gross MMCF	Gross MMCF	Net MMCF
0	0	0	2064	613	529
Percentage of Total Reserves Non-Producing	%	%		%	%
	0	0		43.2	43.3

(iii) Total Proved plus Probable Non-Producing Reserves (@ April 30, 2004)

CRUDE OIL			**NATURAL GAS ***		
	Company			Company	
Gross MBbl	Gross MBbl	Net MBbl	Gross MMCF	Gross MMCF	Net MMCF
0	0	0	2022	516	437
	%	%		%	%
	0	0			

*** Includes solution gas**

Note: Of the remaining non-producing reserves 100% are non-operated by Petro-Reef. It is anticipated that these reserves will be placed on stream between July and September of 2004 for a total capital cost net to Petro-Reef of $78,000. The capital costs will be paid out of company cash flow.

c) Other Properties

Other properties represent 2.7% of the total net present value (before income tax) with approximately 90% of those properties producing. The other properties are all non-operated.

6.1.2 Producing Versus Non-Producing Oil & Gas Wells:

Following is a list of oil and gas well (gross and net) which are producing and non-producing. All the oil and gaswells are in central Alberta Canada.

Production is as of the preparation date of April 30, 2004

	Oilwells		**Gaswells**	
	Gross	Net	Gross	Net
Producing	0	0	11	3.227
Non-Producing @ April 30, 2004	0	0	2	0.475

Note: Only wells which have reserves assigned by the qualified independent reserves evaluator have been reported.

6.2 Properties With No Attributed Reserves

6.2.1 Unproved Properties

a) Gross Area: 9273 acres
b) Net Area: 3625 acres
c) Location: Central Alberta
d) There are no work commitments required for fiscal year 2004.

6.2.2 The net area of unproved property which is expected to expire in fiscal year 2004 is 117 acres.

6.3 Forward Contracts

The Company is not bound by any agreement (including any transportation agreement) which would preclude it from fully realizing future market prices for oil or gas.

6.4 Additional Information Concerning Abandonment and Reclamation Costs.

a) Petro-Reef estimates abandonment and reclamation cost based on historical average costs for the area net of salvage value at $30,000 per well.

b) Future net wells for which such costs shall be incurred are:

   (i) For Wells where reserves are assigned equals 4.177 net wells.
   (ii) For Wells where no reserves are assigned equals 2.888 net wells.
   Total net wells = 7.065

c) Undiscounted cost to the Company = $211,950 for reclamation and abandonment.

d) The qualified independent reserves evaluator has estimated $191,000 for abandonment and reclamation net to the Company before recovery of salvage value.
Therefore $20,950 was not deducted as abandonment and reclamation costs in estimating the future net revenue.

e) The company expects to pay $34,000 in the next three years for reclamation and abandonment.

6.5 Tax Horizon

The Company does not expect to be required to pay income taxes for its 2003 financial year. It is anticipated that taxes will become payable for fiscal year 2005.

6.6 Costs Incurred (for fiscal year 2003)

6.6.1 Cost for COGPE, CEE, and CDE

a) Property acquisition costs (COGPE) $ 68,768
b) Exploration costs (CEE) $1,316,129
c) Development costs (CDE) $167,632

6.7 Exploration and Development Activities

6.7.1 Wells for fiscal year 2003

Exploration wells	2
Development wells	0

6.7.2 Wells for fiscal year 2003

Gaswells	1
Oilwells	1
Dry Holes	0

6.8 Production Estimates

6.8.1 Production estimates for 2004 are:

a) Using Constant Prices and Costs

Oil	3,700 Bbl
Gas	314 MMCF
NGL	3,000 Bbl

b) Using Forecast Prices and Costs

Proved:	Oil	3,700 Bbl
	Gas	314 MMCF
	NGL	3,000 Bbl
Proved Plus Probable:	Oil	9,100 Bbl
	Gas	499 MMCF
	NGL	7,200 Bbl

6.8.2 Of the above referenced production 97.2% is represented by two properties:

a) Morinville: 51.0% of the production

b) Alexander: 46.2% of the production

6.9 Production History for fiscal year 2003

2003 PRODUCTI0N & REVENUE SUMMARY

Month	Production BOE / Day	Production BOE / Month	Price $ / BOE	Royalty Expenses $/BOE	Netback $/BOE	Gross Revenue $ After Royalties	Operating Expenses $	Cash*Flow $
JAN	46.67	1,446.67	45.39	5.45	27.11	53,229.33	14,010.20	39,219.13
FEB	58.15	1,628.14	52.13	7.46	35.80	74,662.17	16,382.34	58,279.83
MAR	63.40	1,965.54	44.46	6.94	34.14	84,186.09	17,076.10	67,109.99
3 Month Average	**56.07**	**1,680.12**	**47.33**	**6.62**	**32.35**	**70,692.53**	**15,822.88**	**54,869.65**
APR	52.76	1,582.68	38.89	5.78	22.50	54,996.44	19,390.41	35,606.03
MAY	43.67	1,353.92	37.78	4.25	22.34	48,747.98	18,498.43	30,249.55
JUN	44.17	1,325.16	36.27	5.28	15.40	45,894.97	25,484.93	20,410.04
3 Month Average	**46.87**	**1,420.59**	**37.65**	**5.10**	**20.08**	**49,879.80**	**21,124.59**	**28,755.21**
JUL	44.97	1,394.02	37.65	4.27	18.10	43,644.70	18,408.88	25,235.82
AUG	67.12	2,080.81	33.61	4.14	22.95	65,976.25	18,214.39	47,761.86
SEP	65.37	1,961.11	31.07	4.12	18.11	57,336.53	21,828.14	35,508.39
3 Month Average	**59.15**	**1,811.98**	**34.11**	**4.18**	**19.72**	**55,652.49**	**19,483.80**	**36,168.69**
OCT	74.73	2,316.69	33.33	4.26	21.91	66,148.42	15,397.16	50,751.26
NOV	137.03	4,110.79	31.74	3.03	19.64	117,622.65	36,883.94	80,738.71
DEC	194.01	6,014.33	33.13	5.99	26.64	197,646.92	37,436.46	160,210.46
3 Month Average	**135.26**	**4,147.27**	**32.73**	**4.43**	**22.73**	**127,139.33**	**29,905.85**	**97,233.48**
Average for 2003	74.34	2,264.99	37.43	5.02	23.95	75,841.04	21,584.28	54,256.76
Total for 2003	**-**	**27,179.85**	-	-	-	**910,092.45**	**259,011.38**	**651,081.07**

* Note: Cash flow on this production and revenue summary is before ARTC, general and administrative costs, interest expense, and before income tax.