

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Reporting Issuer:

Petro-Reef Resources Ltd. (the "Corporation" or the "Issuer")
2020, 800 – 5th Avenue S.W.
Calgary, Alberta T2P 3T6

Item 2. Date of Material Change:

September 16, 2005.

Item 3. News Release:

A press release reporting the material change was issued by the Corporation on September 19, 2005 via CCN Matthews.

Item 4. Summary of Material Change:

In a news release dated September 16, 2005, the Corporation announced the second closing of a private placement previously announced on July 19, 2005 and director resignations and director and officer appointments.

Item 5. Full Description of Material Change:

Petro-Reef Resources Ltd. announced that it has completed the second closing of a private placement of 2,222,211 Units at a price of \$0.45 per Unit for an aggregate consideration of \$999,995. Each Unit consists of one common share of the Corporation (each a "Common Share") plus a common share purchase warrant (each a "Warrant"). Each Warrant is exercisable to acquire one Common Share at an exercise price of \$0.70 (the "Exercise Price") until February 17, 2007. Sinalta Investments Ltd. acted as finder for the Offering and was paid a finder's fee of \$100,000. In addition, Sinalta Investments Ltd. was issued compensation warrants to acquire up to an aggregate of 500,000 common shares on the same terms as the Warrants. All the shares issued are subject to a four month hold period expiring January 17, 2006.

Petro-Reef Resources Ltd. also announced that Robert N. Maertens-Poole will resign as a Director of the Corporation. Mr. Maertens-Poole will remain Chief Financial Officer of the Corporation. Gary W. Coleman will be appointed Assistant Secretary and will resign as a director of the Company. Messrs Richard W. DeVries and N. Gary Van Nest will be appointed as Directors of the Company.

Item 6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7. Omitted Information:

Not applicable.

Item 8. Executive Officer:

Joseph Werner, President and C.E.O.
Telephone: (403) 265-6444

Item 9. Date of Report

Dated September 22, 2005, at Calgary, Alberta.