

UNITED REEF LIMITED

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PRESS RELEASE

UNITED REEF REINSTATES MANAGEMENT FEE

United Reef Limited (URPL – CNQ) (the “Company”) said that its Board of Directors has agreed to reinstate a monthly management fee of \$5,000 for the Company’s President, Michael D. Coulter. Mr. Coulter’s compensation was suspended by mutual agreement in March, 1999 at a time when the Company was experiencing financial difficulties. Mr. Coulter’s services are provided to the Company pursuant to an agreement with M.D. Coulter & Associates Inc. (“MDC”). MDC is owned and controlled by Marilyn Turner, the Secretary of the Company, and Michael D. Coulter, the President, Chief Executive Officer and a director of the Company.

In November 2002 the Company disclosed that it was taking steps to reactivate itself in the mineral exploration sector and part of the Company’s plan to reactive itself included a settlement reached in November 2002 with its remaining creditors, including its largest creditor, MDC. An agreement entered into on November 28, 2002 with MDC resulted in the settlement of \$200,000 of debt owed by the Company to MDC, which had accumulated since 1997. As part of that agreement MDC agreed to waive any entitlement it had to recover fees for management services provided by Mr. Coulter between March 1999 and August 31, 2002. In consideration of which the directors of the Company agreed with MDC to reinstate a management fee for Mr. Coulter’s services as soon as the Company was financially able to do so.

The board of directors of the Company have approved a proposal from MDC to compensate them for the services of Mr. Coulter provided to the Company for the period between September 1, 2002 through November 30, 2003, a period of fifteen months at a fee of \$5000 per month. MDC has agreed to accept settlement of the management fee totaling \$75,000 by the acceptance of 500,000 common shares of the Company valued at \$0.10 per share and the balance of the said amount in cash. In addition, the board has agreed to reinstate a monthly management fee of \$5,000 for the services of Mr. Coulter provided by MDC effective December 1, 2003. The terms of the agreement between the Company and MDC provides that the fee for Mr. Coulter’s services is to be set on the basis of a flat monthly amount to be mutually agreed between the parties from time to time. The agreement may be terminated by either party on 90 days written notice.

MDC has advised the Corporation that it presently owns 750,000 common shares of the Company and 375,000 common share purchase warrants exercisable at \$0.15 to purchase one additional common share, which expire in September, 2004. In addition, Mr. Coulter and Ms. Turner respectively, own 525,500 common shares and 86,062 common shares of the Company.

On December 4, 2003 Mr. Coulter was granted an option to purchase up to 400,000 common shares

of the Company at \$0.15 and Ms. Turner was granted an option to purchase up to 300,000 common shares of the Company at \$0.15 in their capacities as President and Secretary, respectively, of the Company.

As announced on February 5, 2004 the Company has engaged a geophysical contractor to carry out a further IP survey on the Company's Nickel Offsets property located 40 kilometres northwest of Sudbury. The Company has been advised that the IP survey is now underway and the collection of data is expected to be completed within the next 7 to 10 days.

For further information please contact Michael Coulter, President at 416-368-3332.