

NEWS RELEASE

Trading Symbol: PET-TSX Venture Exchange

Date: April 21, 2008

FIRST SHIPMENT OF FUEL PEAT

Peat Resources Limited is pleased to announce the delivery of an initial shipment of fuel peat pellets to the CANMET Energy Technology Centre in Ottawa. This forms part of the Company's ongoing commitments in its collaboration agreement with the Ontario Centre for Excellence for Energy (OCE), and other partners, to investigate the co-firing of peat with coal in power generation. Other partners include Lakehead University and Ontario Power Generation.

The fuel pellets were produced from peat harvested at the Company's permitted site in western Newfoundland and then processed by the Company's unique drying system which is being established in a small-scale production facility in Stephenville. The initial shipment consisted of 5 tonnes of fuel peat pellets at 30-35% moisture content. The pellets have an energy value equivalent to lignitic or subbituminous coal. The pellets will undergo pilot scale trials at the CANMET laboratories to determine a full suite of firing characteristics and chemical and physical parameters for the fuel.

Under the OCE collaboration agreement, Peat Resources Limited has a commitment to supply a further 500 tonnes of fuel peat pellets from the Stephenville facility. These will be delivered to Ontario Power Generation for a large-scale combustion trial and stack test at the Atikokan Generating Station in northwestern Ontario.

As reported previously, Peat Resources Limited has identified large biomass resources of fuel-grade peat on its properties in Ontario and Newfoundland. The northwestern Ontario peatlands, centred on the town of Upsala on the Trans Canada Highway, about 130 km from Thunder Bay, contain over 200 million tonnes of fuel-grade peat which is sufficient to supply the needs of Atikokan and Thunder Bay generating stations for more than 20 years.

Peat Resources Limited was formed to explore, develop and produce peat fuel, a biomass energy source, for use in electricity generating stations and other facilities that require a long-term assured supply of economically competitive, environmentally favourable, and consistent quality fuel. With a strong resource base in Ontario and Newfoundland, an expert management team and unique knowledge of peat processing technology, the Company is positioned to be the pre-eminent leader in this new North American energy industry.

For more information contact:

Peter Telford, President and CEO

Telephone: 416 862-7885

Fax: 416 862-7889

Email: peatfuel@peatresources.com

Website: www.peatresources.com

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy of this news release.