

PEAT RESOURCES LIMITED
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NEWS RELEASE

Trading Symbol: PET .TSX Venture Exchange

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As previously announced, the Company completed its recent financing. The Company is now moving forward with the next phase of its peat fuel project. This phase is to establish a resource base of sufficient potential to justify proceeding with the extensive test work to support future production. This phase includes a preliminary environmental study to establish a proper base line and to assess the potential effect of a large commercial plant in this northern rural environment, as well as dialogue with stakeholders in the area including First Nations, fish camp and tourist lodge and forest harvest owners and operators. It also includes definition of the peat fuel resource sufficient for 20 years production by drilling bogs to identify depth, humification, biological composition, and contours of the peat bottom, as well as preparing bulk samples for thermal value, chemical analysis, and combustion tests.

The Company announces with regret the resignations by Clifford H. Frame and Richard La Prairie as directors. The board expresses its appreciation for their services in forwarding the Company's peat fuel project, and in assisting in the financing.

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