

PEAT RESOURCES LIMITED
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M5H3Y2

NEWS RELEASE

Trading Symbol: PET .TSX Venture Exchange

November 1, 2005

Further to its news release of October 14, 2005, Peat Resources Limited (the "Company") announces that it has completed the first of its anticipated closings of the offering referred to in its October 14, 2005 release. The offering consists of up to \$10 million comprising 28,571,430 Units @ \$0.35 per unit. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable for two years from the closing date at an exercise price of \$0.50 or per common share.

The first of its anticipated closings was for \$350,000. The agent, IBK Capital Corp, was paid a 10% commission plus broker's warrants. The units and brokers warrants are subject to a "hold-period" to February 28, 2006.

The proceeds of the offering will be used for a final feasibility study for the Company's peat fuel project, to acquire additional peat properties in Canada, and for working capital.

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