

PEAT RESOURCES LIMITED

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NEWS RELEASE

Trading Symbol: PET-TSX Venture Exchange

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Peat Resources Limited was formed to explore, develop and produce high quality peat fuel on a profitable and sustainable basis for customers requiring an economically and environmentally attractive energy supply. Recent government announcements and related activity have enhanced the market potential and economic value of peat fuel. The Ontario government announced (March 21, 2006) a new Standard Offer Program for electricity generation. Under the plan, the Ontario Power Authority will purchase electricity produced by wind, small hydro and biomass at a base price of 11 cents per kWh; fixed price for solar will be 42 cents per kWh. In addition, the Ontario Budget (March 23, 2006) included the allocation of funds for a Bio-Energy Research Centre in Atikokan, northwestern Ontario. The federal government's Clean Energy Canada website defines peat as a biofuel (i.e., biomass).

As a follow-up to its news releases of October 14, November 1 and December 9, 2005, and January 9, 2006, Peat Resources Limited announces that its offering referred to in the October 14, 2005 release has been withdrawn. However, the company continues to seek the financing that will enable it to take advantage of current opportunities.

The company holds rights to peat resources in northwestern Ontario and western Newfoundland. In Ontario, activity is now focused on technology development and compliance with government regulatory requirements. For example, work is underway on design of energy efficient and cost effective wet peat extraction systems. Also, the company has signed a voluntary agreement with the Ontario Minister of the Environment to carry out an environmental assessment of the northwestern Ontario development. The additional financing currently being sought will enable the company to complete the environmental assessment, engineering process design and feasibility report for this project.

With its strong resource base and unique knowledge of peat processing technology, Peat Resources Limited is well positioned to be the pre-eminent leader in a new North American energy industry.

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