

## **PEAT RESOURCES LIMITED**

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### **NEWS RELEASE**

Trading Symbol: PET-TSX Venture Exchange

Date: December 12, 2007

#### **PEAT RESOURCES LIMITED SIGNS RESEARCH COLLABORATION AGREEMENT**

Peat Resources Limited will collaborate with the Ontario Centre for Excellence for Energy (OCE), Lakehead University and other partners on a research program to examine peat fuel harvesting and processing systems. Funding for the program is managed by OCE under the auspices of the provincially-financed Atikokan Bioenergy Research Centre. OCE has allocated \$720,000 over two years to the project.

The project, *Environmental Effects of Wet Harvesting Peat as an Alternative Energy Source for the Atikokan Generating Station*, will be led by scientists at Lakehead University (Thunder Bay) in conjunction with peatland experts from McMaster University (Hamilton). Peat Resources Limited is contributing to the project through provision of its unique knowledge and experience in peat fuel development and by providing access to peatlands in its licensed areas near Upsala (northwest Ontario) for demonstration and monitoring of restoration models. Results of related activities by the Company on its licensed peatland areas in western Newfoundland will also be contributed to the project.

In a second project, OCE is allocating \$880,000 for the *Co-firing of Peat and Biomass with Coal for Power Generation*. This project is also being led by Lakehead University in partnership with CANMET Energy Technology Centre (Ottawa) and Ontario Power Generation. Peat Resources Limited will be supplying processed peat fuel pellets from its small-scale production facility in Stephenville (Newfoundland), firstly for pilot scale trials at CANMET and later, in 2008, for a large 500 tonne combustion trial by Ontario Power Generation at the Atikokan Generating Station.

Together, these research projects will provide important scientific and technical data supporting the application of peat fuel as an economic and environmentally attractive alternative to fossil fuels, such as coal, for power generation in Ontario and other North American jurisdictions.

Peat Resources Limited was formed to explore, develop and produce peat fuel 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.

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