

PEAT RESOURCES LIMITED
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NEWS RELEASE

Trading Symbol: PET – TSX Venture Exchange

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PEAT RESOURCES ADVANCES NEWFOUNDLAND PROGRAM

The Ontario Minister of the Environment, Laurel Broten, has refused to accept Peat Resources Limited's Terms of Reference to initiate an Environmental Assessment for biofuel research and development in Northwestern Ontario. The Company remains committed to the wise development of the vast sustainable peat resources of Northwestern Ontario in order to alleviate the province's consumption of coal by providing a cleaner alternative.

The Company continues to build its resource and scientific knowledge base on biofuel development in Canada and will proceed in setting up a peat fuel pilot operation in Stephenville, Newfoundland. As previously reported, the Company holds exploration rights to over 130,000 hectares of peatlands in the Province of Newfoundland and Labrador and has received encouraging support from provincial government agencies and local communities to accelerate its programs in the province. Abundant fuel peat resources and local infrastructure at Stephenville in western Newfoundland make this an excellent launching point for the Company's research and development activity.

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