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NEWS RELEASE

Trading Symbol: PET-TSX Venture Exchange

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Peat Resources Limited announces that it has closed a brokered, best efforts private placement for proceeds of \$300,000. The placement consists of 3,000,000 units @ \$0.10 per unit. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable for two years from the closing date at an exercise price of \$0.15 per common share. The Agent, IBK Capital Corp., was paid a cash commission of 10% of the amount raised from Canadian sources (10% of \$265,000, or \$26,500 plus taxes and disbursements) and 10% of that Canadian amount in the form of broker's warrants exercisable for two years at \$0.11.

The Corporation and the Agent are "related issuers" (as that term is defined in National Instrument 33-105 - Underwriters Conflicts) as the Agent's partners, officers, directors, and spouses thereof beneficially own, either directly or indirectly, an aggregate of 11.15% of the total outstanding Common Shares of the Corporation.

Peat Resources Limited was formed to explore, develop and produce peat fuel – a sustainable bioenergy resource. During recent months, the Company has held constructive discussions with senior officials of governments and energy utilities in eastern Canada. Proceeds of the financing will be used to advance these encouraging relationships through preparation of a detailed business case for the establishment of a large-scale production facility in western Newfoundland to meet potential long-term contracts for peat fuel to be used in power generation and related applications.

For more information contact:

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.