

NEWS RELEASE

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PEAT RESOURCES IN NORTHCENTRAL NEWFOUNDLAND

Peat Resources Limited is pleased to announce the results of its peatland resource evaluation in the Freshwater Bay region of north central Newfoundland. Surveys conducted for the Company by AMEC Americas Limited in October – December 2007 have identified about 32 million cubic metres of fuel-grade peat in 5 separate peat bog areas covering 4,050 hectares. Fuel-grade peat formed approximately 95% of the deposits. The surveyed properties lie at or close to the shore of Freshwater Bay in north central Newfoundland near the communities of Hare Bay and Gambo. The Town of Gander is only 45 km to the northwest via the TransCanada Highway.

The Company holds permits on an additional 15 peatlands in north central Newfoundland near Gander and Terra Nova which will be evaluated in subsequent field programs. In total, the Company holds permits covering about 130,000 hectares of peatlands in Newfoundland in the western, northcentral and southeastern parts of the island. High priority peatlands in western Newfoundland (Stephenville – St. George's area) were reported previously to contain over 42 million cubic metres of fuel-grade peat. The Company will add significantly to its resource base as evaluation surveys are conducted systematically on all of the permitted areas.

Representative samples from the Freshwater Bay peatlands were taken for chemical, proximate and ultimate analysis. Ash content ranged from 0.72% to 1.49% with an average of 1.11%. Sulphur content ranged from 0.13% to 0.26% and averaged 0.19%. Calorific values ranged between 4744 kcal/kg and 5289 kcal/kg. This is well within the range of lignite to bituminous coals which have calorific values between 4478 kcal/kg and 7784 kcal/kg.

Peat Resources Limited was formed to explore, develop and produce peat fuel, a biomass energy source, 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. The Company aims to be the principal supplier of peat fuel to the North American energy market. Following this further confirmation of resources on its Newfoundland properties, increased attention will be given to potential peat fuel customers in eastern Canada and the eastern seaboard of the United States.

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