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NEWS RELEASE

Trading Symbol: PET-TSX Venture Exchange

Date: July 6, 2006

**PEAT RESOURCES LIMITED RECEIVES
STRONG SUPPORT AT PUBLIC MEETING**

Peat Resources Limited received a positive response to its peat fuel development plans at a public meeting held in Upsala, Ontario on June 28, 2006. As part of the environmental assessment process, which the Company is carrying out under a voluntary agreement with the Ontario Ministry of the Environment, the public meeting was held to seek views and comments from local residents and other stakeholders on the terms of reference for the EA study and to provide information about Company activities. The Company's planned development of the peat resources on its 200,000 hectare property centred on the community of Upsala, about 130 km west of Thunder Bay, has the potential to provide important economic benefits to the region. By holding the public meeting, the Company was ensuring that residents, First Nations and other regional interest groups had the opportunity to consider the environmental and socio-economic aspects of the project.

Approximately fifty people attended the June 28 meeting and heard presentations from Company executives and the environmental consultant. Comments and endorsements have also been received from parties who could not attend the meeting but were aware of the Company's activities through postings and articles in the local newspapers. Participants at the meeting included Upsala and Thunder Bay residents, representatives of local and regional businesses, senior members of the Lac des Mille Lacs First Nation community, and provincial government officials. There was considerable interest in the aim of the project to produce a clean alternative biofuel - peat fuel - for power generation. There was also interest in the reclamation plans for the harvested peatlands and their long-term future use. All comments received at the meeting were supportive of the Company's plan to develop the more than 200 million tonne resource of fuel-grade peat that has been defined on the Upsala property.

Peat Resources Limited was formed to explore, develop and market high quality peat fuel on a profitable and sustainable basis. The product is intended for customers requiring a consistent long-term supply of economically attractive and environmentally acceptable fuel.

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