

PEAT RESOURCES LIMITED

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NEWS RELEASE

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PEAT RESOURCES LIMITED AT INTERNATIONAL PEAT CONFERENCE

Peat Resources Limited was represented at an international conference on peat held on May 29 – June 2, 2006, in Belarus. The conference involved several hundred participants from Europe and North America who were considering new approaches and technologies for the use of peat in energy and chemical applications. The conference also examined environmental advantages of peat as an energy source and successful measures that have been taken to mitigate the impacts of peatland development in Europe.

Finland, Russia and other countries of eastern Europe have had a long history of peat fuel production. The increasing price of fossil fuels such as oil and natural gas has spawned fresh interest in expanding the use of peat for energy purposes in these regions. For example, about 1.5 million tonnes of peat briquettes are being produced annually in Belarus and this is expected to grow soon to 10 million tonnes. Peat Resources Limited is looking at the same potential in Canada for increased use of biofuels, as clean and cheap substitutes for fossil fuels.

On its properties in northwestern Ontario (centred on the community of Upsala, about 130 kms from Thunder Bay), Peat Resources Limited has defined > 200 million tonnes of fuel-grade peat. Additional properties are being assembled in northwestern Ontario and the Company has exploration rights covering over 30,000 hectares of prospective peatlands in western Newfoundland. The Company will use a wet peat harvesting system and is developing cost efficient peat drying technologies which will allow the production of peat fuel at a range of energy values according to the requirements of specific customers. For example, direct replacement of lignite coal requires peat fuel at 20 – 25% moisture content.

Peat Resources Limited is mindful of the need for strict compliance with Ontario's environmental regulations and is undertaking an Environmental Assessment of its northwestern Ontario project. The first public consultation meeting is scheduled for June 28, 2006, in Upsala. The Company has already completed biological and hydrological surveys and will also be using information obtained at the international conference which demonstrated successful reclamation of harvested peatlands in Europe.

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 favourable 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.