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NEWS RELEASE

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Peat Resources Limited Winter 2011 Update

While 2011 unfolds with the threat of higher energy prices but increased demands for cleaner and more reasonably priced power, Peat Resources Limited continues to advance its plans to establish a profitable North American peat fuel industry.

The Company continues to be active mainly in two provinces, Ontario and Newfoundland, where it holds rights to large fuel-grade peat deposits. In recent months, the Company has made important progress in its relations with governments and potential customers in these regions of Canada. In 2010, Company representatives met with then-Premier Danny Williams and other senior members of the Newfoundland government to review our proposals for development of a peat fuel industry. The Newfoundland Minister of Business and his senior staff also visited our Stephenville peat harvesting and processing facility. It was recommended that, in order to fully explore financial and other support from provincial and federal-provincial agencies, the Company should prepare a comprehensive business plan. Accordingly, a business plan (based on initial establishment of a 200,000 tonne per year peat fuel production facility in western Newfoundland) was submitted to the Newfoundland Department of Business on February 3, 2011.

In Ontario, Peat Resources Limited continues to be closely involved in discussions about the Ring of Fire mining development. On February 8, 2011, Company representatives met with the Ontario Minister of Northern Development, Mines and Forestry to review energy concerns related to the proposed chromite mining and ore processing in northern Ontario. The latter requires large amounts of power (+300 MW) and proponents of the development are seeking this power at reasonable prices. Peat Resources Limited is confident that the use of peat fuel to replace coal at OPG's northern generating stations, and the provision of peat-fuelled combined heat and power systems to northern remote communities, will help the Ontario government and private sector proponents to achieve their goals at the Ring of Fire.

Continuing interest from the investment community and industry participants in the peat fuel industry is encouraging and Peat Resources Limited looks forward to further important progress in the coming year.

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