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NEWS RELEASE

Trading Symbol: PET-TSX Venture Exchange

Date: November 9, 2006

**PEAT RESOURCES LIMITED SECURES
ADDITIONAL EXPLORATION PROPERTY IN NEWFOUNDLAND**

Peat Resources Limited (the "Company") is pleased to report that it has secured exploration rights to an area of peatlands in the central part of the Province of Newfoundland and Labrador, in addition to properties that it already holds in the western part of the province near Stephenville.

The Company's goal is to produce high quality peat fuel for use in electricity generating stations and other institutional and industrial facilities requiring clean and economically attractive energy supplies. The Company aims to become the principal supplier of peat fuel to the North American energy market.

In October 2005, the Company obtained Exploration Licenses from the Newfoundland Department of Natural Resources (Mines Branch) for an area of over 34,000 hectares of prospective peatlands near Stephenville and St. George's. Subsequent fieldwork by the Company has refined knowledge of these peatlands and future efforts will be focused on 15 licensed areas covering 9,650 hectares of high quality peat deposits. The sites are strategically located near deep-water port facilities and other infrastructure, allowing transportation of the peat fuel products to markets in eastern Canada and the northeastern U.S.A.

In October 2006, the Company obtained additional Exploration Licenses on a large peatland area of 6,000 hectares in central Newfoundland near Gander. This is part of an ongoing operation to assemble and develop peat resources in key locations across the province to supply both local and export markets. Detailed resources evaluation of the Gander and Stephenville peatlands is underway.

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