

NEWS RELEASE

Trading Symbol: PET-TSX Venture Exchange

July 9, 2008

Peat Resources Limited (the "Company") announces that, through IBK Capital Corp. as agent, and subject to regulatory and shareholder approval, it has completed two private placements with separate investors for a total of 4 million units at \$0.25 per unit (\$1 million Canadian funds). Each unit comprises one common share and one common share purchase warrant; each whole common share purchase warrant is exercisable for two years from the closing date at an exercise price of \$0.30 per common share. The hold period for the above securities expires four months from the closing date.

IBK Capital Corp. is being paid a cash fee of 10% of the proceeds raised, and broker warrants equal to 10% of the units sold. Each broker warrant entitles the holder to acquire one common share at \$0.25 for a two-year period.

The proceeds of the offering will be used for the continued operation and performance evaluation of the Company's small-scale peat fuel production facility in Stephenville (Newfoundland), acquisition of additional peat properties in central and western Canada, and for working capital. With this confidence shown by investors, the Company is well positioned in its development of a North American peat fuel industry.

For more information contact:

Peter Telford, President and CEO
Telephone: 416 862-7885
Fax: 416 862-7889
Email: peatfuel@peatresources.com
Website: www.peatresources.com

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