Peat Resources Limited
Form 51-102F3
Material Change Report

1 NAME AND ADDRESS OF REPORTING ISSUER

Peat Resources Limited
P.O. Box 206
Scotia Plaza
40 King Street West, Suite 3901
Toronto, Ontario
M5H 3Y2

2 DATE OF MATERIAL CHANGE:

August 24, 2006

3 NEWS RELEASES:

The news release of August 24, 2006 was released through Market News Publishing Inc, Info Mine, and Canada Stock Watch.

4 SUMMARY:

The Company has completed its private placement with RAB Special Situations (Master) Fund Limited.

5 FULL DESCRIPTION:

See attached news release.

6 RELIANCE ON 7.1(2) OR (3) OF NATIONAL INSTRUMENT:

Not applicable

7 OMITTED INFORMATION:

Not applicable.

8 EXECUTIVE OFFICER:

Peter Telford, President, 416-862-7885

9 DATE:

August 24, 2006

Peat Resources Limited

per: “ Peter Telford ”

Peter Telford, President

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NEWS RELEASE

Trading Symbol: PET.TSX Venture Exchange

August 24, 2006

Further to its news release of August 11, 2006, Peat Resources Limited announces that, through IBK Capital Corp as agent, it has closed its C$3,500,000 private placement of units and special warrants with RAB Special Situations (Master) Fund Limited ("RAB"). RAB has purchased 9 million units at C$0.20 per unit (C$1,800,000). Each unit comprises one common share and one common share purchase warrant; each common share purchase warrant is exercisable for two years from the closing date at an exercise price of C$0.30 per common share. In addition, RAB has purchased 8,500,000 special warrants at C$0.20 (C$1,700,000); each special warrant permits the holder to convert it to one unit.

The hold period for the above securities expires on December 24, 2006. IBK Capital Corp is being paid a cash fee of 10% of the proceeds raised, and broker warrants equal to 10% of the units and special warrants sold. Each broker warrant entitles the holder to acquire one common share at $0.20 for a two-year period.

The proceeds will be used for the design and operation of a pilot-scale production facility leading to an engineering feasibility report and production of peat fuel for marketing purposes; to complete resource evaluation of additional peat properties in Canada, including northern Ontario and western Newfoundland; and for working capital.

Peat Resources Limited was formed to develop and market 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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