



Peak Energy Resources Inc.

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FOR IMMEDIATE RELEASE

PEAK ENERGY ANNOUNCES SALE TO XTO

DURANGO, CO, Jun. 1, 2006 – Peak Energy Resources Inc. announced today an agreed sale of the Company to XTO Energy Inc. (NYSE: XTO).

Peak Energy, a privately-held Barnett Shale producer, has agreed to be acquired by XTO for equity consideration of 2.555 million shares of XTO common stock, valued at approximately \$105 million. XTO Energy's internal engineers estimate proved reserves to be 64 billion cubic feet (Bcf) of natural gas, 14% of which are proved developed. Proved reserve estimates are based on the ownership of about 37,000 gross acres (33,000 net) with new well locations spaced at 100 acres.

This transaction is expected to close on June 30, 2006. Lehman Brothers is acting as the financial advisor to Peak Energy.

Forward-Looking Statements

Statements made in this news release, including those relating to the future drilling, property acquisitions, deliverability and economics are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements are based on assumptions and estimates that management believes are reasonable based on currently available information; however, management's assumptions and the Company's future performance are both subject to a wide range of business risks and uncertainties and there is no assurance that these goals and projections can or will be met. Any number of factors could cause actual results to differ materially from those in the forward-looking statements, including, but not limited to, the availability of drilling equipment, the timing and results of drilling activity and higher than expected production costs and other expenses and personnel. The Company undertakes no obligation to publicly update or revise any forward-looking statements. Further information on risks and uncertainties is available in the Company's filings with the Securities and Exchange Commission, which are incorporated by this reference as though fully set forth herein.

For further information, please contact:

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