

Premium Exploration, Inc. Closes Initial Public Offering

VANCOUVER, BRITISH COLUMBIA (Feb. 27, 2006) Premium Exploration, Inc. (TSX-V:PEM) ("Premium" or the "Company") (www.premiumexploration.com) is pleased to announce closing of the initial public offering of common shares (the "Offering") under which Premium issued 5,000,000 units ("Unit(s)") in capital of the Company at a price of \$.30CDN per Unit, with net proceeds from the Offering of \$1,365,000. Each Unit consists of one common share (a "Share") in the capital of the Company and on non-transferable share purchase warrant (the "Warrant"). Each two Warrants, will entitle the holder to acquire one additional common share (a "Warrant Share") for a period of 24 months from today, at a price of \$.40CDN per Warrant Share. The Offering was completed through a syndicate of underwriters led by Boulder Investment Partners Limited and including Sprott Securities Inc., Pacific International Securities, and Global Securities.

Computershare Trust Company of Canada (1-800-564-6253) will be distributing share certificates to all shareholders.

Premium is a Vancouver, British Columbia based junior natural resource exploration Company, with two precious metal exploration projects located in the western United States and Mexico.

The Company's main exploration program is the Chrome Mountain, Gold, Platinum, Palladium and Rhodium project in the Stillwater Complex located 35 miles south of the town of Big Timber, Sweet Grass County, Montana, western United States. Premium Exploration holds a 100% interest in this property, consisting of 137 unpatented mineral claims totaling 2,400 acres. The claims lie within the Stillwater Igneous Complex which is host to a tabular zone of Platinum and Palladium mineralization called the "JM Reef". The Stillwater Mining Company, in partnership with Norilsk Nickel from Russia is currently mining and producing Platinum and Palladium from the JM Reef at two locations.

Premium Exploration Inc. controls 11,000 metres of strike length south of, and parallel to the JM Reef. Three parallel bands of layered mafic rocks in the Stillwater Intrusion on Premium's ground contain anomalous Copper, Nickel, Chromitite, Gold and Platinum Group Metals (PGM) mineralization. Premium has also defined a shear zone associated with a late stage transverse fault that crosscuts the footwall of the Stillwater Intrusion and has acted as a conduit for mineralizing solutions. Some highlights from historic drilling on the shear zone which is up to 31 metres wide and 310 metres long are:

PC-2 intersected 26.2 feet containing 14.92 gram/ton Au, 0.60 gram/ton Pt, 1.48 gram/ton Pd

PC-3 intersected 3.5 feet of 10.238 gram/ton Au, 0.374 gram/ton Pt, 0.353 gram/ton Pd

PC-5 intersected 8.6 feet of 26.5 gram/ton Au, 1.5 gram/ton Pt, 1.7 gram/ton Pd

PC-6 intersected 4.5 feet of 11.13 gram/ton Au, 0.37 gram/ton Pt, 0.40 gram/ton Pd and a second intercept of 2.4 feet of 35.6 gram/ton Au, 0.8 gram/ton Pt, 0.9 gram/ton Pd

PC-9 intersected 15.9 feet of 15.9 gram/ton Au, 0.35 gram/ton Pt, 0.35 gram/ton Pd

This data does not meet the requirements of National Instrument 43-101.

Premium's geologists identified two parallel bands of Chromitite ("A" and "B" chromitites) during mapping and sampling. These bands extend over 7 Km on Premium's property. These chromitites host anomalous Platinum and Palladium mineralization and have similarities to the Chromitite layer in the Bushveld Complex located in South Africa that is designated the UG2 Chromitite layer. The UG2 Chromitite hosts several world-class Platinum and Palladium mines which produce approximately 62% of South Africa's Platinum and Palladium.

The "A" and "B" Chromitites extend an additional 7.5 Km to the east on property controlled by Beartooth Platinum Corporation (TSX-V:BTP), which recently announced a \$2,000,000USD exploration and drilling program focusing on the "B" Chromitite layer on Beartooth's property.

Mapping and sampling exploration programs on the "A" and "B" Chromitite bands conducted by previous operators on Premium's property confirmed historic numbers. Additional sampling by Premium has obtained similar results. There were numerous surface samples collected with values in excess of 4 grams per ton Platinum + Palladium + Gold with a high of 46 grams per ton. In the near future the Company will be making an announcement further describing its exploration plans and program for the upcoming field season in Montana.

Premium's second project is the Cucurpe Gold Project, located in the State of Sonora, Mexico. The project is owned by the Company's wholly owned Mexican subsidiary. The project is located 40 Km east of the town of Magdalena de Kino and 180 Km South of Tucson, Arizona. The property consists of 32 concessions totaling approximately 12,000 hectares. Thirteen (13) of the concessions consisting of 10,000 hectares were staked by Premium, with the balance acquired under a mining exploration lease with an option to purchase 100% of the leased property. Reconnaissance level exploration on the Company's concessions has defined a regional zone of faulting and shearing that hosts Gold, Silver and minor base metal mineralization and trends North and South. The zone of structural preparation is approximately 4 Km wide and 8 Km long.

Premium's exploration work to date consists of mapping and sampling numerous gold bearing structures with three geological crews. The Company has collected 167 chip, channel and grab samples from veins, adits, stockworks and altered surface exposures. The samples averaged 1.6 grams/ton of gold with a high of 74 grams. Historic exploration work by Mexican prospectors have located numerous prospects and short adits. It has been reported that the prospectors recovered gold from near surface, oxidized vein material. Based on the Company's exploration to date, two drill targets have defined on the project. Due to its good contacts and relationships in Mexico, the Company is the first company to acquire a cohesive property position by putting the 32-claim package together through staking and agreements with various property owners.

Mr. Wilf Struck, P.E., is the qualified person responsible for the technical disclosure in this press release.

FOR FURTHER INFORMATION PLEASE CONTACT:

Premium Exploration, Inc.
Del Steiner
President and CEO
(604) 682-0243
Email: dsteiner@premiumexploration.com