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**TSX-VN TRADING SYMBOL: CEC**

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## **COMPLIANCE ANNOUNCES POWER PLANT SITE AGREEMENT**

**Vancouver, B.C., July 5, 2004 - Compliance Energy Corporation** (the “Company”) is pleased to announce that it has entered into an agreement to acquire land near Princeton, BC sufficient in size to develop a plus 50 MW wood waste /coal power plant. The selected site has extensive existing infrastructure including; one large building that could be modified into a boiler house to house the boilers and turbines for the development, a 38 KV power line that extends onto the site that will help reduce interconnection development costs and necessary water supply facilities. The agreement provides for a 12 month due diligence period which has been secured with a \$20,000 deposit. The total purchase price of \$1.25 million is due upon exercise of the option to acquire the property.

Compliance recently developed and operates the Basin Coal Project located near Princeton, British Columbia as a joint venture with Nissho Iwai Coal Development Ltd. The Company is on target in developing markets to match its production capacity. Compliance is now moving forward with the next stage of development based on a positive engineering report for its proposed plus \$100 million wood waste / coal power plant project to be located near it’s new coal mine. The Company also announced a strategic alliance with Northland Power Inc whereby Compliance will assist in securing the fuel supply for the development of a 49 MW biomass/coal fuelled power generation project (“Power Project”) to be located on Vancouver Island and may earn a 15 percent equity interest in the Power Project. In addition, the Company just recently was awarded the Coal-bed methane gas rights to the Tulameen basin.

Compliance Energy Corporation’s shares trade on the TSX Venture Exchange under the symbol CEC and investor information is available on the Company’s web page at [www.complianceenergy.com](http://www.complianceenergy.com).

Contact Rod Shier at 604-689-0489 for further information.

On behalf of the Board of  
**COMPLIANCE ENERGY CORPORATION**

Per:

*“Jim O’Rourke”*

Jim O’Rourke  
Director

*The Toronto Stock Exchange has not reviewed and does not accept  
responsibility for the adequacy or accuracy of this release.*