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**TSX-VN TRADING SYMBOL: CEC**

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## COMPLIANCE JOINT VENTURE NATURAL GAS IN COAL RIGHTS

**Vancouver, B.C., May 12, 2005 - Compliance Energy Corporation** (the “Company”) is pleased to announce that the Company has signed a Farmin Agreement with Richards Oil & Gas Limited (“Richards”), whereby Richards has the right to earn a 100% interest in Compliance’s and the Upper Similkameen Indian Band’s Petroleum and Natural Gas In Coal Rights (NGC) for the 8,295 acres that covers the Basin Coal property. The BC Government’s Ministry of Energy and Mines has published that this area has the potential to host approximately 50 billion cubic feet of methane gas.

Under the terms of the agreement, Richards will pay Compliance and the Upper Similkameen Indian Band a total of \$80,000 made up of \$30,000 in cash and \$50,000 in common shares of Richards valued at \$0.40 per share and an overriding sliding scale gross overriding royalty of between 3% to 7.5% depending on well output. In addition, prior to July 31, 2005 Richards shall commence drilling of the first three coal exploration holes on the property, subject to rig availability and regulatory approval. The three test holes are intended to test the coal thickness and hydrology conditions of the coal.

Richards was incorporated to pursue opportunities in the oil and gas industry. The Corporation is currently engaged in the acquisition of, and plans to engage in the exploration for, oil and natural gas properties in Canada and the United States. The Corporation is using its specific CBM expertise and resources as a competitive advantage.

Compliance is a Canadian mining company that recently developed and operates the Basin Coal Mine located near Princeton, British Columbia. Compliance also has significant coal interest on Vancouver Island that includes two thermal coal and one metallurgical coal deposit. In addition, Compliance is also advancing a proposed 49 MW wood waste / coal power plant project to be located near its Basin Coal Mine. Compliance is very quickly developing as an integrated energy Company. 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).

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

Per:

“J.C. O’Rourke”

J.C. O’Rourke  
Director

Contact Rod Shier at 604-689-0489 or Rob Roney at 250-897-0437 for further information.

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