



Upper Similkameen Indian Band



**Compliance
Energy
Corporation**

Upper Similkameen Indian Band and Compliance Energy Corporation Sign Agreement Regarding Proposed net 49 Megawatt Power Generation Project for Princeton

April 3, 2006

FOR IMMEDIATE RELEASE: (Keremeos, BC) The Chief of the Upper Similkameen Indian Band and the President and Chief Executive Officer of Compliance Energy Corporation of Vancouver have signed a Cooperative Working Agreement involving a proposed Power Generation facility to be constructed south of Princeton, BC. The project will be situated at an abandoned mine site.

The facility would produce net 49 Megawatts of power through the combined use of local wood residue and coal, utilizing a state of the art combustion system and adhering to strict environmental standards. Power from the project will be bid into the BC Hydro 2006 Open Call for Power. Excess heat from the project could be utilized to develop ancillary businesses, possibly including a greenhouse.

Compliance has volunteered to have the Provincial Government review the project under the British Columbia Environmental Assessment Act. The company is confident that the project will have no significant environmental impacts or reduction in air quality for surrounding communities. The project is expected to provide significant economic benefits and have a positive impact on local employment and businesses.

Through the Cooperative Working Agreement the Upper Similkameen Indian Band will ensure that Compliance meets its commitments for environmental stewardship and local economic benefits. The Band will have direct involvement in any pre-construction, construction and operational environmental assessment and monitoring.

The Band has negotiated an equity position in the project to ensure its members receive long-term benefits. In addition, the Band will be the primary supplier of wood residue to the plant.

Chief Rick Holmes stated that *“Any development of the resources within our traditional territory must be done in a manner which avoids negative impacts on our aboriginal rights and title, while providing direct benefits to our community. The fact that Compliance Energy has acted respectfully and appropriately to our concerns allows me to sign this important agreement without reservation”*

John Tapics, President and CEO of Compliance Energy Corporation stated that *“The Company is looking forward to a mutually beneficial long term relationship with the Band and welcomes USIB as partners in the project.”*

Compliance is a Canadian mining company that operates the Basin Coal Mine near Princeton, BC and also has significant metallurgical and thermal coal interest on Vancouver Island. 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.

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