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TSX-VN TRADING SYMBOL: CEC

INITIAL DRILLING CONFIRMS EXTENSION OF METALLURGICAL COAL SEAM

Vancouver, B.C., June 21, 2006 - Compliance Energy Corporation (the “Company”) announced today that the first two holes of its 2006 exploration program drilled to test the northern extent of the Raven metallurgical coal deposit on Vancouver Island, BC, have both intersected mineable thicknesses of coal and appear to have extended the known coal resource by up to one half kilometer to the north with the deposit still open on strike. Hole #RAV-06-01 is located approximately one half kilometer northeast of the existing inferred coal resources and it intersected both Seam #1 and Seam #3 in mineable thicknesses of 2.37 meters and 1.51 meters respectively. Drill Hole #RAV-06-02 was drilled on the northern boundary of the existing inferred resource and it intersected Seam #1 in a mineable thickness of 3.35 meters. (Please see attached location map.) Geophysical logging will follow once drilling is completed. Drill core samples were collected under the supervision of Owen R. Cullingham, P. Geo., who is the Qualified Person for reporting purposes on this exploration program.

In addition, further to the Company’s May 31, 2006 news release, Devrial Contracting has completed the bulk sampling of Seam #1 from a crosscut in the newly refurbished adit located 3 km southwest from Hole #RAV-06-01 (See location map attached) ahead of schedule. Approximately 12 tonnes of coal was extracted from a representative mineable section including out of seam dilution from Seam #1. The mineable section has a stratigraphic thickness of 2.0 meters at the sample point. The sample was shipped to Hazen Research in Golden, Colorado for washability analysis and bulk washing at their pilot plant. Results of analysis and washing are expected to be available by early August. The washed coal will provide samples for further carbonization and marketability confirmation testing.

Current coal resources at the Raven stand at 38.5 million tonnes as reported by Gardner Exploration Consultants Ltd in their technical report dated July 2001. The program is targeted at providing sufficient information to enable the Company to commence mining prefeasibility studies by year end.

Compliance is a Canadian mining company that has significant metallurgical coal interests on Vancouver Island; is advancing a proposed net 49 MW Princeton Power Project that will be fueled by wood waste and coal; and operates the Basin Coal Mine near Princeton, BC. 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.

On behalf of the Board of
COMPLIANCE ENERGY CORPORATION

“John Tapics”

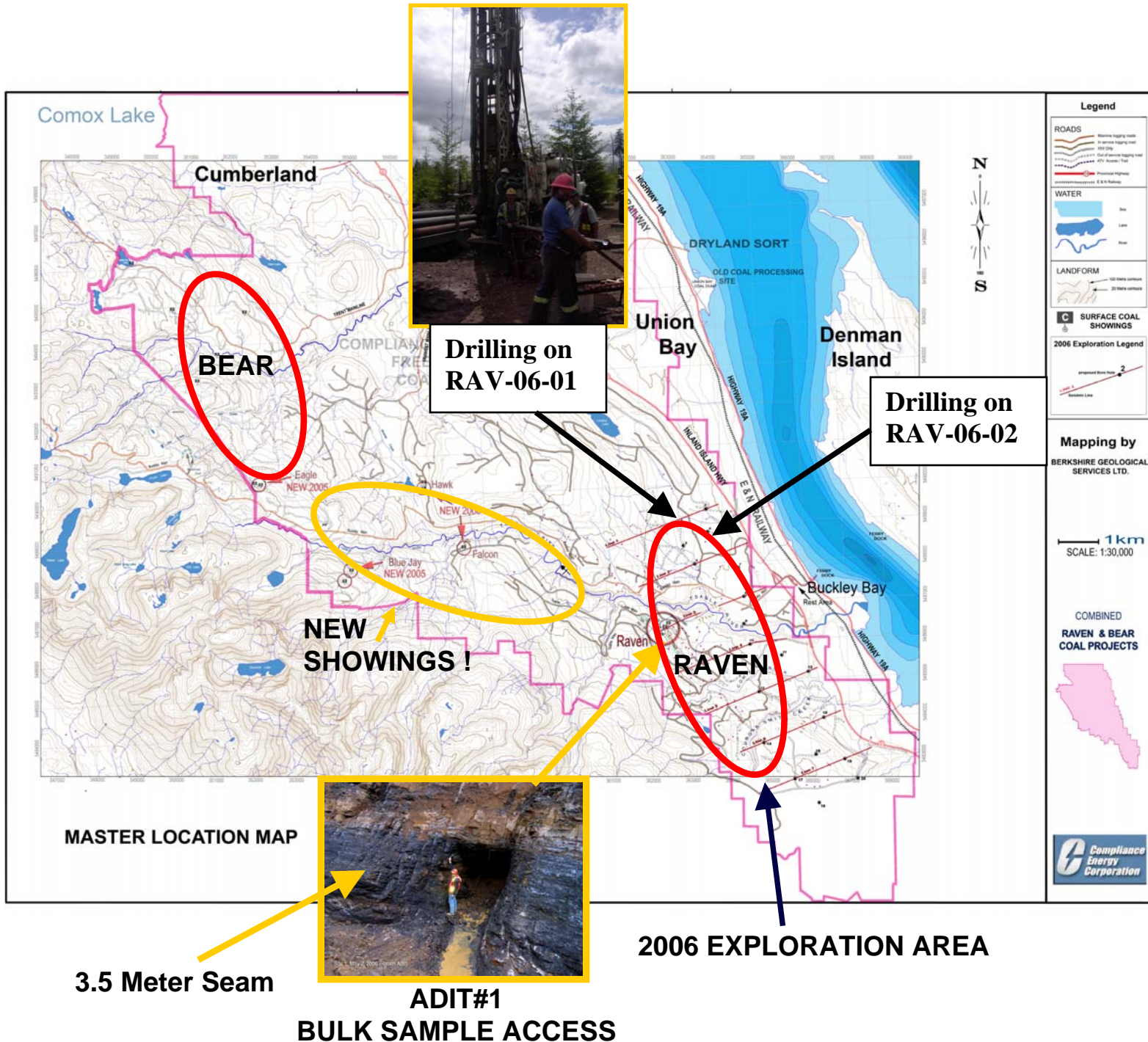
John Tapics
Chief Executive Officer

Contact Forbes West 416-203-2200 or 1-888-655-5532 or Rob Roney, Investor Relations at 250-897-0437
or Rod Shier, CFO at 604-689-0489 for further information.

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

Note: This release contains forward-looking statements that involve risks and uncertainties. These statements may differ materially from actual future events or results. Readers are referred to the documents, filed by the Company on SEDAR at www.sedar.com, specifically the most recent reports which identify important risk factors that could cause actual results to differ from those contained in the forward-looking statements. The Company undertakes no obligation to review or confirm analysts’ expectations or estimates or to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

2006 Vancouver Island Exploration Program Map



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