



Compliance Energy Corporation
Suite 584, 885 Dunsmuir Street
Vancouver, BC V6C 1N5
Telephone: (604) 689-0489
Facsimile: (604) 681-5910

TSX-VN TRADING SYMBOL: CEC

KHAN & ASSOCIATES CONFIRM RAVEN COAL TO BE COKING COAL QUALITY

Vancouver, B.C., July 6, 2006 - Compliance Energy Corporation (the “Company”) announced today that the Company has retained the services of Khan & Associates Inc. who are independent experts in assessing metallurgical coal quality and marketability. They have prepared a positive preliminary evaluation report on the coal quality and marketability of the coal from the Raven Deposit located on Vancouver Island and have concluded that it is a high volatile metallurgical coal as per ASTM/ISO classification and can be readily blended with other metallurgical coals for use in making steel. This evaluation was based on coal quality data from prior washability and carbonization tests. Khan & Associates have also assisted the Company with designing an updated washability test for the bulk sample that was recently extracted from seam #1 of the Raven Deposit. This sample has now arrived at the Hazen Research Centre in Golden Colorado for confirmation of its washability characteristics. Hazen will produce both a coarse and fine coal product for detailed analysis, including proximate, ultimate, heating value, and ash mineral content. In addition, Hazen will produce a sub sample of clean coal for shipment to the government of Canada’s CANMET Energy Technology Centre in Ottawa for further quality and carbonization testing of the coal.

Current coal resources at the Raven stand at 38.5 million tonnes as reported by Gardner Exploration Consultants Ltd in their 43-101 compliant technical report dated July 2001 and a \$2.1 million exploration program is now underway testing the extension of the deposit. The program is targeted at expanding resources and 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.