



**Compliance Energy Corporation**

Suite 584, 885 Dunsmuir Street

Vancouver, BC V6C 1N5

Telephone: (604) 689-0489

Facsimile: (604) 681-5910

Web Page: [www.complianceenergy.com](http://www.complianceenergy.com)

**TSX-VN TRADING SYMBOL: CEC**

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**DUNDEE SECURITIES APPOINTED LEAD AGENCY ON CONVERTIBLE DEBTURE ISSUE**

**Vancouver, B.C., August 2, 2006 - Compliance Energy Corporation** (the “Company”) is pleased to announce that it has appointed Dundee Securities Corporation as lead agent (“Agent”) and Max Capital Markets Ltd as part of the syndicate to arrange on a best efforts basis a private placement or public offering of a two year convertible debenture issue in the aggregate amount of up to CDN\$10,000,000. The Agent will receive a commission of 8% of the gross proceeds of the Convertible Debenture Financing and shall also be granted a compensation option (“Compensation Option”) exercisable by the Agent, in whole or in part, in its sole discretion, for that number of securities equal to 8% of the aggregate number of securities into which the debentures are convertible into on maturity. The Compensation Option shall remain exercisable for a period of two years following the closing of the Convertible Debenture Financing. This financing is subject to the approval of the TSX Venture Exchange.

Compliance is a Canadian mining company that has significant metallurgical and thermal coal interest 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](http://www.complianceenergy.com).

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

Per:

*“Rod Shier”*

Rodney A. Shier  
Chief Financial Officer

Contact or Forbes West 416-203-2200 or 1-888-655-5532 or Rob Roney, Investor Relations at 250-897-0437 or Kirk Gamley 604-689-7422 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](http://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.