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TSX-V TRADING SYMBOL: CEC

**COMPLIANCE SIGNS MOU WITH ITOCHU CORPORATION AND LG INTERNATIONAL CORP. TO
ADVANCE THE RAVEN COAL PROJECT**

Vancouver, B.C., February 1, 2008 - Compliance Energy Corporation (the “Company”) announces that it has signed an exclusive Memorandum of Understanding (“MOU”) with ITOCHU Corporation and LG International Corp. (“the Parties”) for the development of the Raven Coal Project located on Vancouver Island. Under the terms of the MOU the Parties will make an initial payment of \$600,000 to secure exclusivity in the project and subject to the favourable outcome of due diligence will fund the next \$5.4 million in payments to earn up to a 50% interest in the Raven Coal Project. The \$5.4 million will be spent as follows: \$2.4 million to complete the purchase of the property and up to \$3.0 million for environmental assessment studies and a bankable feasibility study. The MOU provides for a due diligence period up to May 31, 2008 at which time the Company and the Parties expect to have definitive agreements signed.

ITOCHU Corporation is a major Japanese trading house and, among other things, has extensive experience in the development of coal mines and the marketing and sale of coal globally and has investments in coal mines in Australia and Indonesia. ITOCHU had annual revenues of \$22 billion US and Net Income of \$1.5 billion in the fiscal year ended March 2007.

LG International Corp. is a leading general trader in Korea with a worldwide overseas branch network and has abundant experience in coal mining development and the marketing and sales of coal worldwide. LG International Corp. has annual revenues of \$5.8 billion US and investments in coal mines in Russia, Australia, and Indonesia.

The Raven Coal Project located in the Comox Coal Basin of Vancouver Island, British Columbia covers an area of approximately 3100 hectares and has 39,093,000 tonnes of measured and indicated and 59,004,000 tonnes of inferred coal resources as reported in the Company’s technical report prepared by O.R. Cullingham Resource Consultant Ltd. (see press release May 29, 2007). The coal is classified as high volatile A Bituminous and is suitable for targeting the metallurgical coal market as a blend product or the thermal coal market. The Company recently completed a positive Preliminary Assessment Report on the Raven Coal Project. In the report, Associated Geosciences Ltd. of Calgary (“AGL”) studied two production cases: one producing 823,000 tonnes of high volatile metallurgical coal per year and another producing 1,440,000 tonnes of thermal coal per year. Based on these studies AGL believes that the Raven Property warrants additional exploration and a feasibility study to form the basis of a production decision and that the estimated net present value of the project at a constant dollar discount rate of 12% is \$105.6 million. AGL’s Preliminary Assessment was prepared by Peter Cain Ph.D., P.Eng. and Alan Craven P.Eng. who are the Independent Qualified Persons for reporting purposes as defined in NI 43-101 Standards of Disclosure for Mineral Projects.

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
Chief Executive Officer

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

Required Disclosure:

The Preliminary Assessment is preliminary in nature and includes inferred coal resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as coal reserves and there is no certainty that the Preliminary Assessment will be realized. Coal resources that are not coal reserves do not have demonstrated economic viability.

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.