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**TSX-V TRADING SYMBOL: CEC**

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**COMPLIANCE EXPANDS MOU WITH ITOCHU CORPORATION AND LG INTERNATIONAL CORP.**

**Vancouver, B.C., June 02, 2008 - Compliance Energy Corporation** (the “Company”) announces that it has expanded the Memorandum of Understanding (“MOU”) which was originally signed with ITOCHU Corporation and LG International Corp. (“the Parties”) on January 31, 2008. The expanded MOU includes additional lands, outlines specific joint venture participating interests, and increases the financial consideration. The original MOU, which provided for the development of the Raven Coal Project encompassing approximately 3100 hectares, has been expanded to include the Bear Coal Project, and the remainder of the West Fraser Mills Ltd. (“WFM”) option lands on Vancouver Island (hereinafter collectively called the “Comox Basin Holdings”) for a total of approximately 29,000 hectares.

Under the terms of the expanded MOU, the Parties have agreed to increase their financial contribution. They will now fund up to \$12.0 million to earn a 40% interest in the Comox Basin Holdings subject to the favourable outcome of ongoing due diligence and the execution of final agreements. Of this total, \$600,000 has already been paid to secure exclusivity. The remaining \$11.4 million will be utilized to fund: a) all the activities necessary to reach a production decision on the Raven Coal Project including public consultation, additional drilling, environmental assessment and transportation studies, and a feasibility study; and b) payments to WFM to secure the transfer of title to the option lands. The expanded MOU also contemplates that subject to satisfactory results of the feasibility study the Parties would provide debt financing for the development of the Raven Coal Project.

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 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 would be suitable in a metallurgical coal blend or as a thermal coal. The Bear Coal Project, which is located 10 kilometers from Raven, is estimated to hold approximately 8.5 million tonnes of High Volatile A Bituminous coal resources which exhibit good coking characteristics. This resource estimate is not 43-101 compliant and readers are cautioned that this resource estimate should not be relied upon.

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**

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.

*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.