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**TSX-V TRADING SYMBOL: CEC**

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**MOU SIGNED FOR THE SALE OF THE BASIN COAL MINE**

**Vancouver, B.C., August 7, 2008 - Compliance Energy Corporation** (the “Company”) announces that it has recently signed a binding memorandum of understanding (“MOU”) for the sale of 100% of the Company’s interest in the Basin Coal Mine located near Princeton, BC for consideration of cash and shares totaling Cdn \$8 million.

Under the terms of the MOU, NWPC Pty Ltd (“NWPC”), a private Australian company, has agreed to purchase the Company’s interest in the mining agreement under which the Company has the right to mine coal at the Basin Coal Mine as well as all remaining assets of the Mine including the 400,000 tonne per year wash plant for \$4 million in cash and \$4 million in shares of a public Australian Company. On signing the MOU NWPC made a nonrefundable payment of \$75,000 which entitles them to an exclusive period of six weeks to conduct due diligence. NWPC may extend this due diligence period for a further six weeks by making an additional nonrefundable payment of \$75,000. Once the due diligence period is completed, NWPC are required to make a purchase price installment of \$125,000 (“Purchase Installment”). This Purchase Installment is nonrefundable if the transaction contemplated by this MOU does not close by October 31, 2008. The closing of the transaction contemplated by this MOU may be extended to December 31, 2008 by NWPC making an additional delay payment of \$200,000. On closing, NWPC will pay the balance of the \$4 million purchase price less the Purchase Installment if applicable and the \$4 million in shares of a public Australian Company. The shares of the public Australian Company, which may be subject to escrow, will be issued equally on the following milestone dates: 25% upon closing, 25% upon completion of a feasibility study; 25% upon commencement of production; and 25% upon production of 500,000 tonnes of saleable coal from the Basin Coal Mine.

Completion of the transaction contemplated by this MOU will allow the company to focus its activities on the Raven and Bear coal deposits on Vancouver Island. Discussions on a potential JV to develop the Vancouver Island properties are progressing well, and the Company anticipates that it will complete definitive agreements by the end of August, 2008.

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.