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**TSX-V TRADING SYMBOL: CEC**

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**COMPLIANCE SIGNS DEFINITIVE AGREEMENTS WITH WEST FRASER MILLS LTD. AND WITH ITOCHU CORPORATION AND LG INTERNATIONAL CORP.**

**Vancouver, B.C., Sept 02, 2008 - Compliance Energy Corporation** (the "Company") is pleased to announce that it has signed definitive agreements with West Fraser Mills Ltd. ("WFM") and with I-Comox Coal Inc., a wholly owned subsidiary of ITOCHU Corporation and LG International Investments (Canada) Ltd. a wholly owned subsidiary of LG International Corp. ("the Parties") to complete the purchase of approximately 29,000 hectares of WFM's freehold coal, mineral, and gas interests on Vancouver Island and to provide the funding necessary to reach a production decision on its Raven Coal Project which is within the WFM option lands.

The definitive Purchase and Sale Agreement with WFM requires a lump sum payment to complete the remaining payments, excluding royalties, which were due under the terms of the original purchase option agreement. The purchase is subject to full registration in BC's Land Title Office of the undersurface rights associated with the Raven Coal Project which is expected to complete within the next few weeks, but no later than November 30, 2008.

The Company has also signed a Sale and Purchase Agreement ("SPA") with the Parties to fund a total of \$11.25 million which includes a) the lump sum payment to WFM, b) the refund to the Company of two prior option payments, and c) up to \$7.0 million for 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. Through their funding payments, the Parties will earn a 40% interest in the undersurface rights excluding gas interests, and a 40% interest in the Company's crown coal licences at the Bear and Raven Coal Projects (collectively the "Comox Basin Holdings").

The SPA also includes a detailed Joint Venture Agreement ("JVA") term sheet ("JVA Term Sheet") that provides for the Company or its subsidiaries to be the Manager and the Operator of any joint venture mining project located within the Comox Basin Holdings and for the Parties to have exclusive global marketing rights to sell coal from the Comox Basin Holdings. The JVA Term Sheet contemplates that subject to satisfactory results of a feasibility study and approval by the Parties' Boards of Directors, the Parties would provide debt financing for the development of the Raven Coal Project. The parties have agreed to use their best efforts to execute the JVA on the terms outlined in the JVA Term Sheet by October 31, 2008. In the unlikely event that a JVA is not fully executed or if the crown coal licences have not been registered in the names of the Parties, as to their participating interest, by March 31, 2009, the SPA provides for the Company to refund the Purchase Price to the Parties to reacquire 100% of the properties.

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 43-101 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. The Bear Coal Project resource estimate is not 43-101 compliant and readers are cautioned that this resource estimate should not be relied upon.

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 \$29 billion US and Net Income of \$2.2 billion in the fiscal year ended March 2008.

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.

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 John Tapics, CEO at 604-689-0489 or Rob Roney, Investor Relations at 250-897-0437 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.