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NEWS RELEASE

July 29, 2008

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**NAPIER COMPLETES SALE OF ITS INTELLECTUAL PROPERTY**

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**VANCOUVER** - Napier Environmental Technologies Inc. ("Napier") has today completed the previously announced sale of its intellectual property ("IP"), as approved by Napier shareholders. The terms of the agreement include the sale of Napier's IP to Freeworld Coatings Global (JSE: FWD) ("Freeworld") together with an option granting Freeworld the rights to the North American sales, marketing and manufacturing operations of Napier, for aggregate consideration of \$5.25 million. Of these proceeds, \$1,500,000 has been received, a further \$3,250,000 is to be received in the third quarter and the balance of \$500,000 is being held in an escrow account to be released over the next two years.

Should Freeworld exercise its option to proceed with the IP and operations within North America, Napier will receive further proceeds for machinery and inventory which, based upon the latest quarterly financial statements, would be \$717,000. In addition to these proceeds, Napier will retain all other net assets and the licensing arrangement for the IP with a major paint manufacturer for the North American market. If Freeworld does not exercise its option with respect to the North American sales, marketing and manufacturing operations of Napier, the IP for North America will be transferred back to Napier in return for a payment to Freeworld of \$100,000.

**About Napier**

Napier is a Canadian company primarily engaged in a wide range of products utilizing environmentally advanced technology. The product lines include coating removal and restoration products for both the industrial/commercial market and the consumer/retail market.

**About Freeworld**

Freeworld is a South African company, regarded as the world's 31<sup>st</sup> largest producer of quality coatings, serving the decorative, industrial and specialist market segments. It was, until recently, a part of the Barloworld Group of companies, one of the largest companies trading on the Johannesburg Stock Exchange ("JSE"). During 2007, it was unbundled from Barloworld and listed independently on the JSE to unlock shareholder value.

For further information, please contact:

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*This release and referenced materials contain forward looking statements that are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in Napier's forward-looking statements. Such factors include, among others, Freeworld decide that they are not able to use the IP, make no further payments and forfeit the IP, risks related to future sales, the going concern status of Napier, historical losses and cash flow, the future need for capital and uncertainty of additional financing being available, the potential dilution to shareholders, the historical lack of dividend payments, competition, dependence on key personnel, dependence on key customers, weather, seasonality and economic cycles, the availability of raw materials, the retail industry and the influence of economic conditions and consumer behavior, exchange rate fluctuations and conflicts of interest. For further details regarding such risk factors, see the section entitled "Description of the Business – Risk Factors" in Napier's annual information form dated March 25, 2008 and filed with the British Columbia and Ontario securities commissions which can be found on SEDAR at [www.sedar.com](http://www.sedar.com). Although Napier has attempted to identify important factors that could cause actual actions, events or results not to be as anticipated, estimated or intended, there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.*