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**FREEWORLD NAFTA TERRITORY AGREEMENT SIGNED**

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**VANCOUVER, July 7, 2009** - Napier Environmental Technologies Inc. ("Napier") announces that it has entered into a definitive agreement with Freeworld Coatings Global (JSE: FWD) ("Freeworld") in connection with the exercise of their option to acquire the North American operations of Napier, as previously announced. Closing was delayed due to regulatory approvals which have now been obtained.

As a result of this delay, the NAFTA option has been renegotiated to include an additional amount to be paid to Napier for goodwill, in the amount of \$1,125,000. In addition to this payment for goodwill, Napier will receive further proceeds from Freeworld of approximately \$605,000, consisting of \$55,000 for production machinery and \$550,000 for inventory, subject to the actual value of inventory on the closing date, for a total of approximately \$1,730,000. To date, advance payments of \$602,000 have been received by Napier. It is anticipated that the balance of the proceeds will be paid to Napier on July 31, 2009.

The NAFTA Option Agreement will now leave Napier with the responsibility for personnel, premises costs and other operational overhead through to the date of closing of this transaction, scheduled to occur on or about July 31, 2009. In addition to the proceeds from this transaction, Napier will retain all other net assets and the licensing arrangement for the IP with a major paint manufacturer for the North American market.

Napier is a Canadian company primarily engaged in the development, manufacture and distribution of a wide range of products utilizing environmentally advanced technology. The product lines include coating removal and wood restoration products for both the industrial/commercial market and the consumer/retail market. Upon completion of this transaction and upon the fulfillment of its obligations under the NAFTA Option Agreement, Napier will no longer own the rights to these products and will accordingly cease manufacturing.

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, the non-completion of the NAFTA option agreement with Freeworld, including the balance of funds owing to Napier pursuant to this transaction, the major paint manufacturer discontinuing the sale of products containing Napier's IP and Napier receiving no further royalty payments, 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, dependence on key personnel, the influence of economic conditions, rate fluctuations and conflicts of interest. 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.*