



**NEWS ANNOUNCEMENT**

**FOR IMMEDIATE RELEASE**

**Convertible Financing Secures \$500,000**

---

Vancouver, British Columbia, Canada.....

May 8, 2003

“Napier Environmental Technologies Inc. is pleased to announce that the company has negotiated a \$500,000 Convertible Debenture to provide additional working capital. The Company will pay 8% interest per annum to the Debenture holders for up to 5 years from closing or until such time as the Debenture has been converted. If the holders convert the debenture during the first two years they will receive one share valued at \$0.25 and one half share purchase warrant exercisable at \$0.40 during the first year following conversion and \$0.50 during the second. If the holders convert during third, fourth or fifth years they will receive one share at \$0.25 and no warrant. Following year one the debentures will convert automatically into the appropriate securities as described above if at anytime the average of the closing price over any 30-day period exceeds a 30% premium to the conversion price.

Any debentures that remain unconverted after the five-year term will become due and payable in full with accrued interest, by the company, thirty days following the fifth year anniversary. The debenture shall be sub-ordinate to any of the Company’s finance instruments with its commercial lenders. There will be a fee of up to 8% payable in units for those monies raised from non-insiders. Proceeds shall be used predominantly to fund the growth of inventories, receivables and payables.

Forward Looking Statements:

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 our forward looking statements. Factors that could cause actual results to differ materially include: rapid technological and/or market changes in the industry; the ability to maintain and grow successful third party and customer relationships, to improve current products and develop new products, to adequately protect the company’s proprietary rights and other factors described in the company’s regulatory filings. Although we believe the expectations reflected in our forward looking statements are reasonable, individual results may vary, and we cannot guarantee future results, levels of activity, performance or achievements.

For further information contact Don Mosher at Napier (604) 801-6664 or via email [nir@napiere.com](mailto:nir@napiere.com)

Frank Dixon  
President and CEO

---

THE TORONTO STOCK EXCHANGE NEITHER APPROVES OR DISAPPROVES THE CONTENTS OF THIS NEWS RELEASE WHICH HAS BEEN PREPARED SOLELY AT THE DISCRETION OF MANAGEMENT

nir 03-03