



Environmental Technologies Inc.

NEWS ANNOUNCEMENT

FOR IMMEDIATE RELEASE

Napier Closes \$500,000 Convertible Debenture

Vancouver, British Columbia, Canada.....

June 17, 2003

Napier Environmental Technologies Ltd. is pleased to announce that the \$500,000 Convertible Debenture announced May 8, 2003 was fully subscribed on closing and has been approved by the TSX.

The Convertible Debentures are convertible into securities of the Company for up to five (5) years from closing of the transaction. Investors have the opportunity during the first two years, to convert into a unit comprised of one share valued at \$0.25 and one half share purchase warrant (a "Unit") exercisable at \$0.40 during the first year following conversion and \$0.50 during the second year. If the holders convert during the third, fourth or fifth years, they will receive only one share at the \$0.25 conversion price and no share purchase warrants. 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 Convertible Debenture has been converted. Any accrued interest shall be paid in cash only and is not subject to conversion into Units. The Convertible Debentures shall be sub-ordinate to any of the company's finance instruments with its commercial lenders.

A finders' fee of 40,000 units (the "Finders' Units") was paid as a finders fee for those monies raised from non-insiders. Each Finders' Unit will be issued under the same terms as those described above.

Accordingly, the maximum number of common shares of the Company, which may be issued on conversion of the Convertible Debentures and the warrants forming part of the units to be issued in the event of conversion, will be 3,000,000 common shares. In addition, pursuant to the Finders Units, 40,000 common shares have been issued and an additional 20,000 common shares may be issued upon exercise of the Finders warrants.

The funding was placed with 19 individuals, 5 of which were insiders purchasing approximately 24% of the total number of units sold.

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.

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Frank Dixon
President and CEO

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