



NEWS ANNOUNCEMENT

FOR IMMEDIATE RELEASE

Second Quarter Results

Vancouver, British Columbia, Canada.....

August 18, 2003

Napier Environmental Technologies Inc. (T-NIR) reports softer than expected sales in the second quarter. Sales revenue in the quarter lagged 2002 by 21%. Sales in Canada and overseas are stronger than last year. Consumer and industrial sales in the US were negatively impacted by a continued weak economy exacerbated by the unusually long and wet spring season. Nearly 20% of the reduction in revenue year to date was the direct result of the weakened US dollar. Despite decreased sales volume, the Company was able to maintain gross margins and generate positive net income for the quarter. Management continued to carefully control and reduce costs in the quarter. General and Administrative costs were reduced by 14% and Selling and Marketing costs by 12% when compared to the same period last year. As a result, the Company generated cash from operating activities of \$51,086 in the quarter versus using \$297,594 in the same period last year.

Comparative highlights of results follow:

FINANCIAL RESULTS

	Three months ended June 31		Six months ended June 31	
	2003	2002	2003	2002
Sales	\$ 2,566,779	\$ 3,259,532	\$ 4,093,740	\$ 5,210,313
Gross Profit	46%	46%	45%	45%
Operating Expenses	\$ 1,125,775	\$ 1,277,465	\$ 2,114,571	\$ 2,318,160
Operating Income (Loss)	\$ 55,132	\$ 234,998	\$ (270,542)	\$ 22,367
Other non-operating items	\$ (44,482)	\$ 41,982	\$ (97,183)	\$ (76,992)
Net Income (Loss)	\$ 10,650	\$ 276,980	\$ (367,725)	\$ (54,625)

Full interim quarterly financial statements, including management’s discussion and analysis, can be found on the company’s web site – www.napierenvironmental.com under “investor relations / financials”, as well as at www.sedar.com.

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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