



NEWS ANNOUNCEMENT

FOR IMMEDIATE RELEASE

First Quarter Results

Vancouver, British Columbia, Canada.....

May 12, 2004

Napier Environmental Technologies Inc. (T-NIR) announces results for the first quarter. Sales increased by \$0.1 million or 5% to \$1.6 million from \$1.5 million in 2003. Gross Profit and Gross Margins remained unchanged at \$0.7 million and 43% respectively even though industrial sales were a higher percentage of total sales. Operating expenses were \$0.1 higher at \$1.1 million due to expenses related to the launch of a new consumer RemovALL product line. The net loss for the quarter decreased to \$0.2 million from \$0.4 million in 2003 primarily due to \$0.3 million in gains realized on the sale of an investment and a formula for a non-strategic product. Comparative highlights of results follow:

FINANCIAL HIGHLIGHTS

	Three months ended March 31	
	2004	2003
Sales	\$ 1,601,281	\$ 1,526,961
Gross Profit	\$ 683,979	\$ 663,122
Gross Margin	42.7%	43.4%
Operating Expenses	\$ 1,131,954	\$ 988,796
Operating Loss	\$ (447,975)	\$ (325,674)
Other non-operating items	\$ 208,050	\$ (52,701)
Net Loss	\$ (239,925)	\$ (378,375)
Cash used in operations	\$ (363,270)	\$ (309,381)

Frank Dixon, President & CEO comments, “The first quarter results reflect \$0.6 million or 40% in additional sales growth derived from new contracts signed last year and early this year. However, this success was mostly offset by sales shortfalls in Canada, related primarily to customers postponing sales orders to the second quarter due to our extended Spring booking program this year. As a consequence consumer sales in Canada were slightly below our expectation and last year. All indicators suggest we will recoup this shortfall in the next quarter. Export and US industrial sales are strong and economic indicators point to a significant recovery in the US economy this year. Our challenge for the remainder of 2004 continues to be deepening of our distribution channels to continue our increase in sales.”

Full audited annual 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.

For further information contact Frank Dixon or Janice Comeau at (604) 526 0802 or via email investor@napiere.com

B. Frank Dixon
President & CEO

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