



NEWS ANNOUNCEMENT

FOR IMMEDIATE RELEASE

Napier Plans to Restructure

Vancouver, British Columbia, Canada.....

November 3, 2004

Napier Environmental Technologies Inc. today announced plans to make a restructuring proposal to the company's creditors. Napier has experienced losses over many years in seeking to expand markets for the company's products. Weaker than anticipated sales conditions in the third quarter and a seasonal slowdown in the current quarter have further eroded the company's financial position, and it now has insufficient financial resources to meet all of its existing creditor obligations. The company has filed a Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act*. This will facilitate an orderly evaluation of alternatives to strengthen the company's business model and capital structure.

The Notice of Intention filing allows Napier to maintain operations while completing necessary changes to improve its business and develop a restructuring proposal for creditors. During this period Campbell Saunders Ltd., an experienced Trustee, will monitor the activities of the Company and assist it in formulating a proposal to its creditors.

In conjunction with the filing, Napier has engaged Wayne J. Henderson to lead the company on an interim basis as Chief Restructuring Officer. Mr. Henderson has been a member of the company's Board of Directors since July 2004 and is a corporate advisor. He has previously held executive positions in corporate and investment banking with a major Canadian financial institution. President and Chief Executive Officer, Frank Dixon, has resigned from the company and its Board of Directors. He will remain available to the company on a consulting basis during a transition period.

"The company will continue to operate while we complete the restructuring process," said company Chairman, Lionel Dodd. "The ongoing support of our customers, employees and suppliers will help ensure we can restructure to the benefit of all stakeholders. We are very fortunate to have Wayne's leadership at this very challenging time," he said. The company's secured lender has agreed to continue to provide advances under existing Financing Facilities while the company completes its restructuring.

The company will be working to refine its business model – with a greater focus on existing core technology, products and customers, and a significant reduction in SG&A costs. The objective will be to move forward with a solid plan that leverages the proven effectiveness of its products and the validation of some of the world's leading coating and home improvement companies. This will be accomplished through a strategic review process over the next 100 days. Additional financing or investment may be required during the period to ensure that the company can complete the restructuring process.

There can be no assurance that the company will successfully emerge from its reorganization proceedings. Approval of a Plan and emergence from reorganization proceedings are subject to a number of conditions.

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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