



NEWS ANNOUNCEMENT

FOR IMMEDIATE RELEASE

Third Quarter Results

Vancouver, British Columbia, Canada.....

November 12, 2004

Napier Environmental Technologies Inc. (T-NIR) announces results for the third quarter. Sales at \$1.7 million were \$0.1 million less than the third quarter of 2003. Gross Profit at \$0.4 million was \$0.2 million less than last year. Gross Margins at 26% were 6 percentage points lower than the 32% in 2003 due primarily to a provision to write down obsolete inventory. Operating expenses were \$0.1 million lower than last year's level of \$1.1 million. The net loss was \$0.7 million, which is \$0.1 million more than the prior year due to lower gross profit. Comparative highlights of results follow:

FINANCIAL HIGHLIGHTS

	Three months ended September 30		Nine months ended September 30	
	2004	2003	2004	2003
Sales	\$ 1,673,352	\$ 1,808,940	\$ 5,860,463	\$ 5,902,680
Gross Profit	\$ 439,772	\$ 576,259	\$ 2,181,221	\$ 2,420,288
Gross Margin	26.3%	31.9%	37.2%	41.0%
Operating Expenses	\$ 1,016,183	\$ 1,099,583	\$ 3,210,188	\$ 3,182,043
Operating Profit (Loss)	\$ (576,411)	\$ (523,330)	\$ (1,028,967)	\$ (761,755)
Other non-operating items	\$ (119,794)	\$ (54,830)	\$ (49,936)	\$ (184,132)
Net Profit (Loss)	\$ (696,205)	\$ (578,160)	\$ (1,078,903)	\$ (945,885)
Cash from (used) in operations	\$ (638,090)	\$ (495,858)	\$ (1,074,039)	\$ (725,362)
Loss per share	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.02)

Weaker than anticipated sales conditions in the third quarter combined with 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. On November 3, 2004, the company filed a Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act*. 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.

As previously announced, the company is working to refine its business model – with a greater focus on existing core patents, 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.

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.

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