



NEWS ANNOUNCEMENT

FOR IMMEDIATE RELEASE

Napier Granted Extension

Vancouver, British Columbia, Canada.....

January 17, 2005

Napier today announced that the Supreme Court of British Columbia has approved an extension of the period to file a proposal to the creditors until March 3, 2005.

The extension received the support of the Trustee, Campbell, Saunders who are appointed pursuant to the provisions of the Bankruptcy and Insolvency Act to assist the company in the formulation of its proposal and to safeguard the interests of the creditors. David Gray, CIRP and the Trustee in the matter said :

“ the restructuring team has made very good progress in reducing operating costs to a level more in line with sales, while at the same time gaining new business from global market players. We believe with continued progress by the restructuring team in focusing the company in maintaining costs within the gross margins available historically or even at lower levels, the creditor’s prospects for a more meaningful recovery are enhanced by this extension ”

Napier’s secured lender Century Services agreed to a further extension of the \$3 million in credit facilities currently available to the company. These facilities are subject to various covenants and are generally based on a ‘*borrowing base*’ concept. These facilities should assist Napier in meeting the working capital demands of the upcoming spring season.

“ Century had no hesitation in continuing its support for Napier. The restructuring team enjoys our full support. ” Tammy Kemp, ASO Century Services said.

Napier cautions shareholders to read this press release in conjunction with the implications of its current operating status, which is that it has filed for protection under the *Bankruptcy and Insolvency Act* and the company’s final status will depend on the creditors’ acceptance or rejection of a proposal it anticipates making in the future.

Napier develops and manufactures highly effective, safe and environmentally advantaged surface preparation products for stripping paints and coatings, as well as a complete line of wood restoration products. Napier’s products are protected by a portfolio of patents and trademarks, including ***‘Biowash and Removal’***.

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For further information, please contact Lionel Dodd, Chairman, Board of Directors or Wayne J. Henderson at 604.526.0802 or e-mail at ‘investor@napiere.com’

This press release contains statements that are forward-looking in nature. Such statements involve known and unknown risks and uncertainties that may cause the actual results of Napier to be materially different from those expressed or implied by those forward-looking statements. Such risks and uncertainties include, among others: the

Company's status under the Bankruptcy and Insolvency Act, general economic and business conditions, product selling prices, raw material and operating costs, changes in foreign-currency exchange rates and other factors referenced herein and in the Company's Financial Statement for the period ending September 30, 2004, within the Management Discussion and Analysis Section, under "Risk Factors and Financial Management".

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