



NEWS ANNOUNCEMENT

FOR IMMEDIATE RELEASE

Napier Agrees to Sell Business to SICO

Vancouver, British Columbia, Canada

June 10, 2005

Napier Environmental Technologies Inc. today announced it has entered into an agreement to sell a significant portion of its assets and business to SICO Inc., a major Canadian paint and coatings manufacturer. The company intends to use the proceeds from the sale transaction to make a definitive proposal to settle the outstanding claims of its unsecured creditors. Completion of the sale transaction is subject to unsecured creditors voting in favour of a definitive proposal to be filed by Napier and all requisite court approvals.

The company filed for protection under the *Bankruptcy and Insolvency Act* on November 3, 2004. On May 20, 2005, Napier's unsecured creditors voted to provide an additional 120 days for the company to complete its restructuring and refinancing process and file a definitive proposal. Napier intends to file a definitive proposal within seven days. A meeting of unsecured creditors will then be scheduled to consider and vote on the company's proposal.

SICO is a well-established and well-funded company, with considerable ability to complete the transaction and drive future market and customer development through a strong distribution network. In business since 1937, SICO is Canada's largest organization specializing in the development, manufacturing and marketing of paint, coatings and related products. The Canadian leader in the architectural paint market, SICO distinguishes itself for its innovative, high-quality products enjoying strong brand recognition, and the scope of its distribution network. SICO also markets industrial coatings, mainly for the railway, aerospace, heavy transportation, and specialized equipment industries. A public company listed on the Toronto Stock Exchange, SICO employs nearly 1,000 people in Canada, the United States and Mexico.

Shareholders of Napier will not be entitled to vote on or participate in the definitive proposal to be filed by the company. If the definitive proposal is approved, SICO will acquire Napier's customer list, product formulations, intellectual property rights and certain manufacturing equipment. Napier would no longer have operations and its residual assets would be divested. The resulting proceeds would be used to discharge the company's secured and priority obligations and settle all unsecured claims. Shareholders should not expect to receive any value from the sale transaction, but would continue to have ownership of the corporate entity that remains.

For further information, please contact Lionel Dodd, Chairman, Board of Directors or Wayne J. Henderson, Golden Crane Management Company Inc. 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, under the heading "Risk Factors and Financial Management".

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