



Environmental Technologies Inc.

NEWS RELEASE

NIR-TSX

NAPIER'S LENDERS WAIVE JUNE INTEREST AND CHAIRMAN ACCEPTS REVISED COMPENSATION PACKAGE

VANCOUVER July 5, 2006 - Napier Environmental Technologies Inc. (NIR - TSX) reports that its lenders have agreed to waive their rights to interest for the month of June 2006 in a continuing effort to help Napier. These interest payments have been waived and the interest otherwise payable shall not be paid or payable currently or in the future.

Effective July 1, 2006, Anthony P. Traub, the Chairman of the Company, has agreed to reduce his salary to \$1 in return for a future bonus equal to the salary currently payable plus an additional 15%, compounded annually. Such amount shall be paid out of 75% of future net income of the Company. Until the Company succeeds in achieving net income, no amounts shall be payable.

"This change in my compensation arrangements aligns the Company's interests with mine and demonstrates my commitment and the confidence I have in its future success," says Anthony Traub, Chairman of Napier.

Napier is a Canadian company primarily engaged in the development, manufacture and distribution of a wide range of products utilizing environmentally advanced technology. The product lines include coating removal and wood restoration products for both the industrial/commercial market and the consumer/retail market.

For further information, please contact:

Steve Balmer
President and COO
Napier Environmental Technologies Inc.

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 Napier's forward-looking statements. Such factors include, among others, risks related to going concern status of Napier, historical losses and cash flow, the future need for capital and uncertainty of additional financing being available, the potential dilution to shareholders, the volatility of the market price of the common shares, the historical lack of dividend payments, competition, dependence on key personnel, dependence on key customers, weather, seasonality and economic cycles, the availability of raw materials, the retail industry and the influence of economic conditions and consumer behavior, exchange rate fluctuations and conflicts of interest. For further details regarding such risk factors, see the section entitled "Description of the Business – Risk Factors" in Napier's annual information form dated March 30, 2006 and filed with the British Columbia and Ontario securities commissions and the Toronto Stock Exchange, which can be found on SEDAR at www.sedar.com. Although Napier has attempted to identify important factors that could cause actual actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

CORPORATE OFFICES: 720 EATON WAY, DELTA, BRITISH COLUMBIA, CANADA, V3M 6J9
TEL: +1.604.526.0802
FAX: +1.604.526.7772