



Environmental Technologies Inc.

NEWS RELEASE

NIR-TSX

Napier to Further Reduce Operating Expenses

VANCOUVER February 2, 2007 - Napier Environmental Technologies Inc. (NIR - TSX) reports that, in a further effort to reduce operating expenses, it has entered into a Sales Service Agreement (“Agreement”) with I.C.T.C. Holdings Corporation (“ICTC”) effective February 1, 2007. Under the terms of the Agreement, ICTC will accept the transfer of two sales staff and their respective expenses and one sales staff that was being charged to Napier by way of the existing Management Services Agreement between the two Companies. These three sales staff were primarily involved in the sale of Napier’s products to the consumer/retail markets. In return for ICTC taking on this responsibility, ICTC shall receive a sliding scale Sales Fee that will be accretive to the operations of Napier. Based upon 2006 sales, the projected savings to the Company in 2007 will be \$115,000. In return for this fee, ICTC will have six of their sales force, together with approximately twenty independent representatives, marketing and selling the Napier products while selling the ICTC products. Napier will continue to manage its industrial/commercial sales with its remaining sales staff.

Nick Bozikis, Director, Finance says, “This Agreement, together with the previously announced elimination of the Chairman’s salary and the waiver of interest on the loans for the past six months, will assist Napier in its recovery from the poor results caused by slumping sales and the previous financial condition of the Company”.

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:

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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.