

ADDITIONAL LICENSE ARRANGEMENT

VANCOUVER December 24, 2007 - Napier Environmental Technologies Inc. (NIR - TSX) reports that it has entered into a non-binding Letter of Intent to license certain of its technology within NAFTA (USA, Canada and Mexico), on a non-exclusive basis, to Prometheus Acquisitions, LLC ("Prometheus") for an initial 12-year term. This licensing arrangement is subject to the terms and conditions of the previously announced licensing arrangement with a major paint manufacturer. The arrangement with Prometheus is structured to enable the licensee to combine the manufacturing and production of Napier products with their rubber-based adhesives, sealants and coatings while utilizing their channels of distribution for both product lines. During the term of the licensing arrangement, a royalty will be earned by Napier that has annual minimum payments of US\$150,000 in the first year, US\$175,000 in the second year and US\$200,000 in each of years three through ten.

Napier has also agreed to sell its inventory and production equipment to Prometheus for approximately US\$650,000 in cash, less financial advisory fees and transaction costs. Napier intends to cease production at its facilities in Vancouver, Canada after a sufficient amount of time following the sale to allow for the knowledge transfer to Prometheus, which is estimated to be a few months. Upon completion of this transaction, any future production will continue pursuant to a tolling agreement with Prometheus to manufacture Napier products for sale outside of NAFTA for supply to the customers that the company may retain outside of Prometheus' territory.

It is anticipated that this transaction will close on or about January 15, 2008, with an effective date of December 31, 2007, and is subject to satisfactory due diligence, the execution of a definitive license agreement, asset purchase agreement and two tolling agreements containing customary representations, warranties and covenants by both parties, as well as the receipt of all required regulatory approvals, including the acceptance by the Toronto Stock Exchange.

Anthony Traub, Chairman of Napier states that, "Napier has been unable to generate the sales volumes required to sustain the level of production overhead that was inherited by current management in July 2005. During this past year Napier has pursued strategic options other than its traditional sales approach to the market. The prospects going into 2008, coupled with the strength of the Canadian dollar, consolidation within the paint and coatings industry and the lack of any sales volume to support current production levels have led us to believe that the company would be better to allow others, through licensing arrangements, to use the Napier technology rather than continue with our belief that we can build the sales to sustain the company. This will be the second significant licensing agreement for Napier and should allow the company to become cash positive when the licensees are in full

production. Licensing opportunities in other territories of the world have been identified which would allow us to exploit this environmentally-friendly technology and we anticipate that these will be negotiated in 2008. We will continue to source companies with established relationships to take our product to market together with theirs, through these arrangements in areas where we would have great difficulty in obtaining significant growth alone”.

About Napier

Napier is a Canadian company primarily engaged in 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, not completing the licensing arrangement with and sale of assets to Prometheus, risks related to future sales, the 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 28, 2007 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.