



Compliance Energy Corporation

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TSX-VN TRADING SYMBOL: CEC

MINING EQUIPMENT PURCHASED FOR JANUARY 2005

Vancouver, B.C., December 16, 2004 - Compliance Energy Corporation (the “Company”) is pleased to announce that it has purchased its mining equipment and is optimizing its 400,000 tonne per year capacity processing facilities in preparation for increased sales in 2005. Coal markets have greatly strengthened over the past six months and Compliance is poised to take advantage of the buoyant market. The company is targeting sales in excess of 150,000 metric tonnes range for 2005. The Company’s representatives are in discussions with potential offshore buyers for 2005 coals.

A mining fleet of a Cat D8 Dozer, two Cat 988B front end loaders and three Cat 773 haulage trucks have been purchased and are being delivered to the site for early January 2005. At present 1000 meters of the 30 meter wide coal seam has been developed and is ready for the 2005 mining season. Mining at the Company’s open pit coal mine is schedule to be at planned capacity by mid January.

The Compliance Basin Coal Joint Venture (“CBCJV”) is a joint venture between Compliance Energy Corporation and Sojitz Coal Development (Canada) Ltd. The CBCJV controls the coal resources of the Tulameen Coal Basin which the B.C. Government has published the estimated global coal resource potential for the basin to be 240 million tonnes of in-situ coal. Their reports classify the resource as containing; 20 million tonnes measured, 60 million tonnes indicated and 160 million tonnes inferred. In addition, the Company is getting ready to conduct its trenching program on the Bear Metallurgical Coal Deposit on Vancouver Island and will have more to say on that in the near future.

Compliance Energy Corporation’s shares trade on the TSX Venture Exchange under the symbol CEC and investor information is available on the Company’s web page at www.complianceenergy.com.

Contact Jim O’Rourke or Rod Shier at 604-689-0489 for further information.

On behalf of the Board of
COMPLIANCE ENERGY CORPORATION

Per:

“J.C. O’Rourke”

J.C. O’Rourke
Director

*The Toronto Stock Exchange has not reviewed and does not accept
responsibility for the adequacy or accuracy of this release.*