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Compliance Energy Corporation

Suite 584, 885 Dunsmuir Street

Vancouver, BC V6C 1N5

Telephone: (604) 689-0489

Facsimile: (604) 681-5910

880548

TSX-VN TRADING SYMBOL: CEC

UPDATE ON THE BEAR METALLURGICAL COAL DEPOSIT

Vancouver, B.C., October 14, 2005 - Compliance Energy Corporation (the "Company") has successfully completed this years planned drilling program and trenching program on the Bear Metallurgical Coal deposit located on Vancouver Island, British Columbia. The balance of the program on Block B and E intersected coal as expected and also confirmed the extent of some of the near surface coal. The exploratory infill drill program consisted of 13 drill holes with 430 meters total drilling completed in Block B and E. Samples have been forwarded to a commercial laboratory for analysis and washability tests

Of the 9 holes drilled in Block B, near surface coal seams were intersected between 3 to 12 metres down hole in 7 of the holes drilled. The two holes that did not intersect coal seams were at the western edge of Block B and defined the extent of the near surface coal measures. The cored hole in Block B intersected 5 separate coal seams varying in thicknesses from 0.3m to 2.1m over the total drill depth of 60 metres. Trenching by excavator has intersected shallow coal seam sections which substantiates the drill hole information. Analyses will be carried out on the cores samples, drill chip samples and coal trench sections. In Block E three holes were drilled and confirm the extension from Block A of one of the coal seams.

ResourceEye Geological Services Inc, the Company's consulting geologists are preparing a geological report for Block B and E which will include the 1978 and 1984 drilling and assay information together with the Block A results. Initial analyses completed to date indicate that the coal has metallurgical properties with a Free Swelling Index of between 4 and 8 on a raw coal [unwashed] basis with a thermal heat value of 10,500 to 13,000 Btu/ lb.

This completes the 2005 exploratory drilling and trenching program for the Bear Metallurgical Coal Deposit and the Company is expecting the 43-101 geological assessment report before year end. In the meantime the Company is conducting washability tests on the coal to test its suitability for the metallurgical coal market.

The Company's coal licenses, including the recent applications, now cover an area of 1,751 hectares (4,327 acres) over private freehold land in the Comox coal basin. The property is well serviced by a main logging road and is 10km from the inland Island Highway. The licenses are close to developed infrastructure, transportation routes, electrical power and tidewater. A map of the various areas on the property is attached.

Compliance is a Canadian mining company that developed and operates the Basin Coal Mine located near Princeton, British Columbia and also has significant coal interest on Vancouver Island that includes two thermal coal and one metallurgical coal deposit. In addition, Compliance is advancing a proposed 49 MW wood waste / coal power plant project to be located near its Basin Coal Mine. Compliance is developing as an integrated energy Company.

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.

On behalf of the Board of
COMPLIANCE ENERGY CORPORATION

"Jim O'Rourke"

Jim O'Rourke
Director

Contact or Rob Roney, Investor Relations at 250-897-0437 Rod Shier, CFO at 604-689-0489 for further information.

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

Note: This release contains forward-looking statements that involve risks and uncertainties. These statements may differ materially from actual future events or results. Readers are referred to the documents, filed by the Company on SEDAR at www.sedar.com, specifically the most recent reports which identify important risk factors that could cause actual results to differ from those contained in the forward-looking statements. The Company undertakes no obligation to review or confirm analysts' expectations or estimates or to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.