



**Compliance
Energy
Corporation**

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Compliance Energy Corporation

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TSX-VN TRADING SYMBOL: CEC

EXTENSIVE COAL HOLDINGS OPTIONED BY COMPLIANCE

Vancouver, B.C., October 31, 2005 - Compliance Energy Corporation (the "Company") is pleased to announce that it has entered into an option agreement to acquire all the coal, mineral, coal bed methane, and natural gas rights that are situated on Vancouver Island, British Columbia (collectively referred to as "Island Coal Assets") that were previously owned by Weldwood of Canada Ltd ("Weldwood"). In 1962 Weldwood acquired all of the assets held by way of the Esquimalt and Nanaimo Railway Land Grant of 1905. These properties were contained within 118,000 acres of land along the east central part of Vancouver Island. A majority of the property is well serviced by logging roads and is near the inland Island Highway. The licenses are close to developed infrastructure, transportation routes, electrical power and tidewater.

The deal is structured as an option agreement to purchase the Island Coal Assets and includes an eight month due diligence period whereby the Company will be reviewing the sellers' extensive data base relating to these historical coal rights. Mr. O'Rourke, Chief Executive Officer of Compliance commented that "this is an extremely significant step forward that the Company has taken in expanding its metallurgical and thermal coal holdings. Once this acquisition is completed, combined with the Company's Bear Metallurgical coal deposit on Vancouver Island, Compliance will hold a majority of the coal assets on Vancouver Island."

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. Compliance is developing as an integrated energy Company with a focus on metallurgical and thermal coal production.

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.