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North Peace Announces \$20 Million Strategic Acquisition and Bought Deal Equity Financing

Calgary, Alberta, June 14, 2007 North Peace Energy Corp. (“North Peace” or the “Company”) announces the acquisition of the remaining 30 percent ownership in its land holdings in northern Alberta and a \$20 million bought-deal equity financing.

The Company has entered into a binding letter agreement with its current joint venture partner to acquire the remaining 30 percent working interest in the Company's lands in the Red Earth Area of Alberta. Total consideration for the acquisition is \$20 million, consisting of \$15 million in cash (inclusive of a \$4.5 million deposit) and \$5 million in common shares of North Peace (2,272,727 common shares at a deemed price of \$2.20 per share). The acquisition is expected to close on or about June 28, 2007 with closing subject to customary industry conditions. The common shares issued to the vendor will be subject to a contractual one-year hold period.

In conjunction with the acquisition, the Company has entered into a bought-deal private placement of subscription receipts for common shares with an underwriting syndicate led by GMP Securities L.P. and including Blackmont Capital Inc., Raymond James Ltd. and Canaccord Adams Inc. whereby the Company will issue 9,523,810 subscription receipts at a price of \$2.10 for total gross proceeds of approximately \$20 million. Each subscription receipt will represent the right to receive one common share of North Peace without the payment of any additional consideration on the closing of the acquisition. The financing is scheduled to close on June 28, 2007.

The proceeds from the offering of subscription receipts will be deposited in escrow pending the closing of the acquisition. If the acquisition closes on or before July 27, 2007, the net proceeds from the offering will be released to North Peace. The proceeds from the private placement will be used to pay the cash portion of the acquisition price, to advance the Company's previously announced Cyclic Steam Stimulation (“CSS”) pilot and for general working capital purposes.

The financing is subject to customary conditions including TSX Venture Exchange and regulatory approvals.

This acquisition is strategic to the Company and its shareholders for a number of reasons. North Peace has been able to secure the interest owned by their joint venture partner at an accretive level to NPE shareholders, paying \$20 million for 30 percent of 2.0 to 3.1 billion barrels of discovered resource. Going forward, North Peace will have the advantage of controlling 100 percent of the asset. And, after the anticipated completion of this acquisition and related financing, North Peace will remain debt-free and have adequate cash on hand to complete 100 percent of the previously announced 2007 capital expenditure program on this land base. North Peace's President and CEO, Louis Dufresne, said that this acquisition demonstrates the Company's confidence in the commercial potential of the asset and confirmed that plans for a CSS pilot project are advancing as scheduled.

Discovered Resources, in accordance with Canadian Oil and Gas Evaluation Handbook (“COGEH”), are those quantities of oil and gas estimated on a given date to be remaining in, plus those quantities already produced from, known accumulations. Discovered resources are divided into economic and uneconomic categories, with the estimated future recoverable portion classified as reserves and contingent resources, respectively. No proved or probable reserves have been assigned to the lands at this time because the bitumen has not been shown to be economically recoverable. As North Peace is in the early stages of the project, the resources have not yet been shown to be recoverable or unrecoverable, thus, they have been classified as discovered resources and reported as in-place volumes. There is no certainty that it will be economically viable or technically feasible to produce any portion of the reported discovered resources.

Forward-Looking Statements: Certain statements contained in this release constitute forward-looking statements that involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. No assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this release should not be unduly relied upon. Actual results could differ materially as a result of changes in North Peace's plans, changes in commodity prices, regulatory changes, general economic, market and business conditions as well as production, development and operating performance and other risks associated with oil and gas operations including anticipated success of resource prospects and the expected characteristics of resource prospects; anticipated capital requirements, project rates of return and estimated project life; estimates of original discovered resource; estimates of recovery factors; lack of diversification; and overall technical and economic feasibility of the Company's project. These statements speak only as of the date of this release or as of the date specified in the documents accompanying this release, as the case may be.

The Company undertakes no obligation to publicly update or revise any forward-looking statements except as expressly required by applicable securities laws.

About North Peace

North Peace is an early stage oil sands company with land and assets bridging the Athabasca and Peace River oil sands areas of northern Alberta.

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