



north peace energy

TSX-V: NPE

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North Peace Prices Offering

Calgary, Alberta, July 24th, 2008 North Peace Energy Corp. ("North Peace" or the "Company") is pleased to announce that it is proceeding with its private placement financing announced June 5, 2008 on the following terms.

North Peace has engaged GMP Securities L.P. ("GMP") as lead agent of a syndicate of agents which includes TD Securities Inc., Blackmont Capital Inc., Canaccord Capital Corporation and Raymond James Ltd. to sell on private placement, "commercially reasonable efforts" basis, units ("Units") of the Company and flow-through common shares ("Flow-Through Shares") of the Company (the "Offering"). The Aggregate gross proceeds of the Offering are expected to be up to \$25,000,000 and the Flow-Through Shares may consist of up to \$5,000,000 of the Offering.

Units will be issued at a price of \$1.50 per Unit. Each Unit consists of one common share and one half of one common share purchase warrant of the Company, each whole common share purchase warrant entitles the holder to acquire one common share of the Company at a price of \$2.00 per share for a period of 18 months from the closing date of the private placement. In addition, North Peace will issue Flow-Through Shares at a price of \$1.65 per Flow-Through Share.

Completion of the Offering is subject to receipt of all applicable regulatory approvals. The Offering is expected to close on or about August 7, 2008. The securities issued pursuant to the Offering will be subject to a four-month hold period from the date of closing.

The majority of the proceeds from the Offering will be used by the Company to fully fund all costs associated with the CSS pilot project including the acquisition of capital equipment, construction costs and the drilling of two horizontal CSS wells. The remaining funds will be used to: (i) complete the 2008/2009 eight well winter delineation drilling program, (ii) to advance engineering and environmental baseline work for the commercial CSS project, and (iii) for general corporate purposes.

About North Peace

North Peace has an in situ oil sands project in northern Alberta with 86,400 acres of nearly contiguous leases bridging the Peace River and Athabasca oil sands areas.

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This press release shall not constitute an offer to sell or the solicitation of an offer to buy the securities in any jurisdiction. The securities offered have not and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold in the United States except in certain transactions exempt from the registration requirements of the U.S. Securities Act and applicable states securities laws.

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