



**north peace** energy

**TSX-V: NPE**

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### **North Peace Completes \$26 Million Private Placement**

**Calgary, Alberta, August 7, 2008** North Peace Energy Corp. ("North Peace" or the "Company") is pleased to announce that it has completed its previously announced private placement offering. The Company is issuing a total of 13,333,300 units ("Units"), at a price of \$1.50 per Unit and 3,636,360 flow-through common shares ("Flow-Through Shares"), at a price of \$1.65 per Flow-Through Share for gross proceeds of approximately \$26 million. Each Unit consists of one common share and half of one common share purchase warrant. Each full warrant will entitle the holder to acquire one common share at an exercise price of \$2.00 per share until February 7, 2010. The offering was placed on a "best efforts" basis by a syndicate of agents led by GMP Securities L.P. and including TD Securities Inc., Blackmont Capital Inc., Canaccord Capital Corporation and Raymond James Ltd.

The proceeds from the offering will be used by the Company to fully fund all costs associated with its 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 winter delineation drilling program, (ii) to advance engineering and environmental baseline work for the commercial CSS project, and (iii) for general corporate purposes.

In mid-2009, following pilot production and the completion of the delineation program, North Peace expects to be in a position to submit an application to the Energy Resources Conservation Board ("ERCB") for the first 10,000 bbl/d phase of a commercial project.

All of the securities issued by North Peace pursuant to the private placement are subject to a four month hold period under Canadian securities laws.

### **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.*

**Forward-Looking Statements:** Certain statements contained in this news 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.

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