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For Immediate Release

NORTH WEST UPGRADING ANNOUNCES PRIVATE PLACEMENT CLOSING

Calgary, AB, July 12, 2006 – North West Upgrading Inc. (“North West”) is pleased to announce that it has closed a \$175 million private placement of units at a price of \$4.00 per unit to investors in North America and Europe. Each unit consists of one common share of North West and one half of a share purchase warrant. Each whole warrant entitles the holder to purchase one common share of North West at a price of \$4.00 before the end of 2007 for potential total additional proceeds of approximately \$87 million.

Net proceeds from the offering will be used to fund procurement of long lead time equipment and engineering, as well as regulatory and other project development costs. “This closing marks a significant milestone for North West,” said Robert Pearce, President and CEO of North West Upgrading. “With the closing of this financing and some early equipment purchases in place, North West is well positioned to progress the project through to breaking ground in late 2007.”

The agents for the offering were Tristone Capital Inc., RBC Capital Markets and Peters & Co. Limited.

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 will not be and have not been registered under the United States Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements.

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About North West Upgrading

North West Upgrading Inc. is a Calgary-based, privately-owned company which is committed to building an independent, heavy oil upgrader in Alberta’s Industrial Heartland. The Upgrader will enhance the economic value of Alberta’s bitumen and heavy oil production by producing light, low sulphur products and diluent. The Upgrader will have a total processing capacity of 231,000 barrels per day of blended feedstock (150,000 barrels per day of crude bitumen) over three phases. North West anticipates it will receive regulatory approval by mid-2007, with construction to begin immediately after to achieve start up for the first phase in early 2010. All three phases are expected to be operating by 2015. Please visit www.northwestupgrading.com for more information.