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(CALGARY, ALBERTA – May 10, 2005) North West Upgrading Inc. (“North West”) announces it has closed a private placement of common shares in the amount of C\$38 million. The placement was made with institutional and private investors in Canada and the United States. Net proceeds will be used for preliminary engineering, regulatory and environmental work, and for general corporate purposes.

Tristone Capital Inc. and Peters & Co. Limited were agents for the offering.

North West is a privately-owned, Calgary-based company constructing a heavy oil upgrader in Sturgeon County, in Alberta’s Industrial Heartland, approx 45 Km north-east of Edmonton, Alberta. The upgrader project will be completed in three phases, each with a design capacity of 50,000 barrels of oil sands bitumen feed per day plus pipeline transport diluent. Phase One of the Project is expected to cost \$1.5 Billion dollars, and is expected to be operational by 2010. Timing of the second and third phases will be responsive to market developments.

The Project is being developed to accommodate significant increases in bitumen and heavy oil production in Alberta, primarily from the Province’s vast reserves of oil sands. The North West Upgrader will enhance the economic value of Alberta’s bitumen production by upgrading it to a light, sweet crude oil before sending it to refineries for conversion to end products. The Project will be a significant, long-term contributor to Alberta’s economy.

Further information about the Project and North West may be found at our website,
www.northwestupgrading.com