



North Peace Commences Bitumen Production at its CSS Pilot Project

Calgary, Alberta, May 11, 2009 – North Peace Energy Corp. ("North Peace" or the "Company") is pleased to announce that the first horizontal well (L1) of its Red Earth Cyclic Steam Stimulation ("CSS") pilot project has been switched over to production operations and is now producing bitumen.

Louis Dufresne, President of North Peace, commented "Demonstrating first oil is an important and exciting milestone for the Company. In a short period of time we have gone from a Company with a significant land base and resource to a Company with a producing thermal pilot project. North Peace is truly differentiating itself by becoming one of the only emerging oil sands companies producing bitumen from its resource."

The L1 well is currently flowing without pumping and as pressure decreases, conventional pumping equipment will be installed. As expected, initial production is characterized by high water cuts which are anticipated to subsequently decrease. In addition, the bitumen rates are expected to increase throughout the first months of production and reach a peak production rate during the summer. Once the peak rate is achieved, the bitumen production will decline over a period of several months. After production has ceased, the second steam injection period will commence. Performance of the well is being monitored and after the well has passed its peak production rate, North Peace will be in a position to properly model the decline rate and estimate full first cycle production information and steam-oil ratios of the L1 well.

This is the first steam/production cycle on the Company's first horizontal well and while the operational data garnered from this first cycle will be important to gaining a better understanding of the Company's resource, additional data will need to be collected over additional cycles on both pilot wells to properly make a commercial development decision.

Steam injection continues on the second horizontal well (L2) and similar to the first well, injection pressures indicate fracturing is occurring in the zone of interest and steam chamber containment is being achieved.

About North Peace

North Peace has an early stage in-situ oil sands play in northern Alberta with an estimated 2 to 3.1 billion barrels of Discovered Petroleum Initially-In-Place. The Company has a 100% working interest in 86,400 acres of Crown oil sands leases in the Peace River area. The lands have the benefit of over 300 legacy logs and are surrounded by accessible oil and gas production infrastructure. The target Bluesky zone is a regional sand, deposited in a near shore marine environment at approximately 400 metres in depth. The initial focus area has approximately 22 sections with 10 to 16 metres of oil bearing thickness, technically sufficient to advance a 30,000 bbl/d commercial project. North Peace is currently advancing the development of its resource using a robust and proven in-situ thermal recovery process, Cyclic Steam Stimulation. The Company is currently operating a two well CSS pilot on its lands.

For more information about the Company, North Peace's corporate presentation is available on our website:

http://www.northpec.com/investor/event_presentations.html

Discovered Petroleum Initially-In-Place

Discovered Petroleum Initially-In-Place (equivalent to Discovered Resources) is that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production. The recoverable portion of Discovered Petroleum Initially-In-Place includes production, reserves, and contingent resources. There is no certainty that the Discovered Petroleum Initially-In-Place will ever be produced.

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.

In particular, this news release contains forward-looking statements pertaining, directly or indirectly, to the following: business and operations strategies including the completion of North Peace's pilot project and potential commencement of a subsequent commercial project.

The forward-looking statements contained in this news release are based on a number of expectations and assumptions that may prove to be incorrect. In addition to other assumptions identified in this news release, assumptions have been made regarding, among other things, the following: that North Peace will continue to conduct its operations in a manner consistent with past operations; the continuance of existing (and in certain circumstances, proposed) tax and royalty regimes; the general continuance of current industry conditions; the accuracy of the estimates of North Peace's resource volumes; the ability of North Peace to obtain equipment, services and supplies in a timely manner and within budget to carry out its activities; the timely receipt of required regulatory approvals; the ability of North Peace to obtain financing on acceptable terms; improvements in the current state of the capital markets; improvements in project economics which include, among other items, future oil prices, gas costs and capital and operating cost assumptions.

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.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this news release.

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