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Enviro Energy International Holdings Limited

環能國際控股有限公司

(incorporated in the Cayman Islands with limited liability)

Website: <http://www.enviro-energy.com.hk>

(Stock Code: 8182)

ANNOUNCEMENT AND RESUMPTION OF TRADING

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules.

The Board would like to announce that (i) TWE has tapped into a major unconventional gas resource in China; (ii) the Company is exploring the possibility of the Transfer of Listing; and (iii) the Company is in negotiation with Petromin, a connected person of the Company by virtue of it being a substantial shareholder of TWE, with respect to the Company's proposed investment in Petromin, which are considered to be price-sensitive. **Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company as the Transfer of Listing and the Proposed Investment may or may not proceed.**

The Board would also like to announce the proposed exploration program for 2009.

At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended from 12:01 p.m. on 18 May 2009 pending for the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the shares of the Company with effect from 9:30 a.m. on 21 May 2009.

RULE 17.10 OF THE GEM LISTING RULES

This announcement is made pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "GEM Listing Rules").

The board (the “**Board**”) of directors (the “**Directors**”) of Enviro Energy International Holdings Limited (the “**Company**”) has noted the increases in the price and trading volume of the shares of the Company as quoted on the Stock Exchange on 18 May 2009 and wishes to state that, except as stated below, the Board is not aware of any reasons for such increases.

Save as disclosed below, the Board confirms that there are no other negotiations or agreements relating to any intended acquisitions or realisations which are discloseable under Chapters 19 to 20 of the GEM Listing Rules, nor is the Board aware of any matters discloseable under the general obligation imposed by Rule 17.10 of the GEM Listing Rules which are or may be of a price-sensitive nature.

Major Natural Gas Discovery by TerraWest Energy Corp. (“TWE”)

The Board would like to announce that TWE, a non wholly-owned subsidiary of the Company, has tapped into a major unconventional natural gas resource in China. TWE has discovered significant gas-bearing shale and multiple coal seams in its LHG 08-03 well drilled in November 2008.

As disclosed in the Company’s announcement dated 13 October 2008, TWE holds a 47% interest in a production sharing contract dated 30 December 2005 (the “**PSC**”) with China United Coalbed Methane Corp. Ltd. The project, called Liuhuanggou (the “**Project**”), is located in Xinjiang province adjacent to the capital city of Urumqi. The project area covers over 162,000 contiguous acres (approximately 655 square kilometres) in the southern Junggar Basin. The Junggar Basin is an active hydrocarbon producing area but no shale gas discoveries have previously been announced. The Liuhuanggou discovery is likely to heat up natural gas activity in the area. The discovery is in an easily accessible area and in proximity to existing pipeline infrastructure which is an enormous benefit to future development prospects.

TWE has been working to establish multiple unconventional gas plays at the Project for several years and had previously announced significant coal seam intersections in earlier drilling dating back to 2006. At that time, TWE drilling intersected Jurassic Xishanyao (“**J2X**”) formation coal seams with total thickness of over 40 metres. Early analysis indicated gas contents of up to 100 standard cubic feet/tonne yielding gas potential of up to 8.5 billion cubic feet/section (square mile). The J2X is continuous over much of the PSC area and represents a significant coalbed methane (“**CBM**”) development opportunity on a stand alone basis.

The latest Project discovery is in the underlying and previously unexplored Jurassic Badaowan (“**J1B**”) formation. Well LHG 08-03 intersected approximately 350 metres of J1B with multiple gaseous coal seams as well as over 170 metres of gas-bearing shale before reaching total depth. The Board believes that the intersected gas-bearing shale has natural gas potential ranging to 100 billion cubic feet/section and more based on the data emerging from the important shale gas plays in North America. Most importantly, over the past 3 to 5 years development and production technologies for shale gas have become established and are transferable across sedimentary basins.

Preliminary geological reconnaissance of the J1B in surface exposure has indicated potential for significantly greater thicknesses of prospective formations.

The PSC area covers an existing oil and gas lease held by PetroChina Company Limited (“**PetroChina**”). Pursuant to certain services contracts, TWE has engaged and utilised China National Petroleum Corp. for mud logging and specialised geophysical services and is utilising the services of the Karamay Lab unit of Exploration and Development Research Institute of Xinjiang Oil Co., a subsidiary of PetroChina, for shale analysis.

Transfer of Listing

The Board would also like to announce that the Company is exploring the possibility of transferring the listing of the shares of the Company from GEM to the Main Board of the Stock Exchange (the “**Transfer of Listing**”). Further announcement on the Transfer of Listing will be made by the Company, if appropriate.

Proposed investment in Petromin Resources Limited (“Petromin”)

The Board would also like to announce that the Company is in negotiation with Petromin, a connected person of the Company, by virtue of it being a substantial shareholder of TWE with respect to the Company’s proposed investment in Petromin (the “**Proposed Investment**”). Further announcement on the Proposed Investment will be made by the Company, if appropriate.

Shareholders of the Company (the “Shareholders”) and potential investors are advised to exercise caution when dealing in the shares of the Company as the Transfer of Listing and the Proposed Investment may or may not proceed.

TWE - 2009 EXPLORATION PROGRAM

Based on the 2008 drilling results, TWE will initiate further exploration of the Project lands for 2009 to obtain critical shale data, further analyse CBM in coal seams and further study essential reservoir characteristics. The 2009 exploration program will include geological survey of target areas, seismic geophysical survey and drilling of selected locations to confirm gas contents of coal seams, sample deeper prospective formations, confirm formation thickness and confirm the prospectivity of the J1B.

Shale gas plays in North America are driving huge capital investments and stimulating investor interest globally which include Canada’s Horne River, Montney and St. Lawrence River Valley Shale (Utica); in the United States, Barnett, Haynesville, Marcellus, Fayetteville, Woodford, Chattanooga and Utica Shale. These shale gas plays have the potential to supply enough gas to satisfy North American natural gas demand for the future and are altering the energy balance on a continental scale.

New shale gas discoveries of the same type have implications for countries like China where such new gas supply may provide much needed security and the basis for large-scale conversion of the economy from coal to clean burning gas.

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended from 12:01 p.m. on 18 May 2009 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the shares of the Company with effect from 9:30 a.m. on 21 May 2009.

By Order of the Board
Enviro Energy International Holdings Limited
Chan Wing Him Kenny
Chairman and Chief Executive Officer

Hong Kong, 20 May 2009

As at the date of this announcement, the Directors are:

Executive Directors

Mr. Chan Wing Him Kenny
Dr. Arthur Ross Gorrell

Independent non-executive Directors

Mr. David Tsoi
Mr. Lo Chi Kit
Mr. Tam Hang Chuen

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the website of GEM at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days and the website of the Company at www.enviro-energy.com.hk.