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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

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules to provide information on a proposed cooperation agreement to be entered into among the Company, Petromin and CUCBM.

Shareholders and/or investors should note that the proposed Agreement may or may not proceed, as no formal binding cooperation agreement has been executed among the parties and discussions are still in process. Accordingly, Shareholders and/or investors are advised to exercise caution when dealing in the Company's shares.

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

The board of directors (the "Directors") of Enviro Energy International Holdings Limited (the "Company") is pleased to announce that the Company is now negotiating with Petromin Resources Limited ("Petromin"), a company listed on the Toronto Stock Exchange Venture Board, which is principally engaged in acquiring and developing oil and gas properties, and 中聯煤層氣有限責任公司 (China United Coal Bed Methane Corp. Ltd.) ("CUCBM"), a company established under the laws of the People's Republic of China (the "PRC" or "China") on a cooperation agreement (the "Agreement") in respect of the design and implementation of a five-year multi-well pilot carbon dioxide ("CO₂") injection-enhanced coal bed methane ("ECBM") production and geological CO₂ storage project in the PRC (the "Project").

It is proposed that pursuant to the proposed Agreement, among others:

1. the Company, together with Petromin and its associated partners, will provide technical guidance, expertise, liaison and assistance in designing pilot test, while CUCBM will be the operator of the laboratory and field operations;
2. the total project cost be approximately RMB9,900,000. The Company and Petromin will contribute a minimum aggregate of RMB3,460,000, as to RMB1,730,000 each by the Company and Petromin, towards project design work in the first phase which includes data analysis and numerical simulation of test results; and
3. economic benefits from the Project be shared among the Company, CUCBM and Petromin.

According to CUCBM, CUCBM has already obtained its project funding from the Ministry of Science and Technology of the PRC. The Project is anticipated to commence in or about February 2008 as soon as the proposed Agreement is entered into.

The objective of the Project is to demonstrate that CO₂ will enhance the production of coal bed methane (“CBM”) from the deep un-mineable coal seams and CO₂ sequestration in deep coal. The Project is the continuation of a single-well micro-pilot test in Qinshui, Shanxi Province, the PRC conducted jointly by the Chinese and Canadian governments, completed earlier this year in collaboration with the Alberta Research Council, Canada. The Project will provide further valuable technical information that will lead to the commercialisation of CO₂-ECBM and geological sequestration in China.

Since 2000, China has embarked on a program to rapidly develop its CBM industry. CBM resources are now estimated at 30,000 to 35,000 billion cubic meters (900 to 1,050 trillion cubic feet), which are approximately three times the known conventional gas reserves in the United States of America. This potential for exploration and development has inevitably attracted international attention and has led to several new contracts entered into by CUCBM with international partners such as TerraWest Energy Corporation and Asia Canada Energy Corp. and China Canada Energy Corporation, wholly-owned subsidiaries of Pacific Asia China Energy Inc. in Canada. According to an Industry Overview on China Downstream Gas Sector issued by Merrill Lynch dated 22 November 2007, the CBM industry in China aims to produce a staggering 10 billion cubic meters of gas annually by 2010.

It is significant to note that this pilot Project will be a milestone project for the clean development of China’s deep CBM reserves. This Project will be a key step towards reducing CO₂ emissions (and therefore global warming) while enhancing energy supply. CO₂ geological storage is viewed as one of the most promising mechanisms to store large quantities of captured CO₂ emissions. As outlined in the Intergovernmental Panel on Climate Change Special Report on Carbon Dioxide Capture and Storage (2005), this technology is looked upon as a major CO₂ mitigation method.

The Company will keep the public informed of the progress of the proposed Agreement and further announcement will be made as and when necessary.

Shareholders of the Company (the “Shareholders”) and/or investors should note that the proposed Agreement may or may not proceed, as no formal binding cooperation agreement has been executed among the parties and discussions are still in process. Accordingly, Shareholders and/or investors are advised to exercise caution when dealing in the Company’s shares.

By Order of the Board
Enviro Energy International Holdings Limited
Chan Wing Him Kenny
Chairman

Hong Kong, 5 December 2007

As at the date of this announcement, the executive Directors of the Company are Mr. Chan Wing Him Kenny and Mr. Chan Man Ching, the non-executive Director is Dr. Arthur Ross Gorrell, and the independent non-executive Directors are Mr. Lo Chi Kit, Mr. Poon Lai Yin, Michael and 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 from the date of publication and the website of the Company at www.enviro-energy.com.hk.