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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**

#### **FAVOURABLE NEW ECONOMIC POLICY BY CENTRAL GOVERNMENT OF CHINA**

This announcement is made by the Company in response to the new economic policy to accelerate development in Xinjiang announced by the central government of China on 21 May 2010.

This announcement is made by Enviro Energy International Holdings Limited (“**Company**”, together with its subsidiaries and jointly-controlled entity, “**Group**”) in response to the announcement of new economic development policy by the President of the People’s Republic of China (“**China**”) on 21 May 2010 following a three day top-level working conference on the economic development of Xinjiang Uygur Autonomous Region (“**Xinjiang**”) held on 17 to 19 May 2010 in Beijing. The conference was attended by both the President and the Premier of China and various top ministerial officials.

Commenting on the new economic policy, Mr. Chan Wing Him Kenny (“**Mr. Chan**”), an executive Director, the Chairman and Chief Executive Officer of the Company, said that as one of the few foreign investors in the Junggar Basin area of Xinjiang, the Group welcomes the new economic policy. The proposed increases in infrastructure construction and other steps to accelerate economic development, including energy resource development will achieve positive results for the region and the specific regional focus of the economic policy is considered unprecedented in China.

Mr. Chan continued that the Company, through its 61.07%-owned subsidiary, TerraWest Energy Corp. (“**TWE**”), is advancing an important unconventional natural gas project in Xinjiang. The Group noted that various commentators within China, including Xinjiang University of Finance and Economics, see the new policy to be positive in support of development and Chinese equity markets immediately reflected support for Xinjiang-based corporations and projects. Mr. Chan sees the new policy as acknowledging the great resource potential of the region. Chinese policy already provides substantial support for coalbed methane development and the new regional policy should spur additional projects.

TWE holds a 47% interest in a production sharing contract (“PSC”) covering 653 square kilometres (255 square miles or 163,200 acres) located adjacent to Urumqi, the capital city of Xinjiang. The PSC was executed on 30 December 2005 with China United Coalbed Methane Corporation Limited and is currently administered by PetroChina Coalbed Methane Company Limited.

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

Hong Kong, 27 May 2010

As at the date of this announcement, the directors of the Company (“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 Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited 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](http://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](http://www.enviro-energy.com.hk).*