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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**  
**CO-OPERATIVE AGREEMENT**  
**POTENTIAL ACQUISITION**  
**AND**  
**RESUMPTION OF TRADING**

Reference is made to the announcement dated 5 December 2007 made by the Company in respect of the Project. Capitalised terms used herein shall have the same meanings as those defined in the announcement dated 5 December 2007 unless the context otherwise requires.

The Board is pleased to announce that the Company has entered into the Co-operative Agreement with Petromin and CUCBM on 25 January 2008.

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules to provide information on the Co-operative Agreement.

The Company is also in negotiations of the Potential Acquisition.

**Shareholders and/or investors should note that the Potential Acquisition may or may not proceed, as no formal binding acquisition 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 shares of the Company.**

At the request of the Company, trading in its shares was suspended with effect from 3:01 p.m. on 24 January 2008 pending the issue of this announcement. Application has been made by the Company for the resumption of trading in its shares on The Stock Exchange of Hong Kong Limited with effect from 9:30 a.m. on 29 January 2008.

The board of directors of the Company (the “**Board**”) is pleased to announce that the Company has entered into a co-operative agreement (the “**Co-operative Agreement**”) with Petromin and CUCBM on 25 January 2008 in respect of the Project (as defined below). Details of the Co-operative Agreement are set out below.

The Board noted the unusual decrease in price and increase in trading volume of the shares of the Company and wishes to state that it is not aware of any reason for such fluctuation, save for the Co-operative Agreement and the Potential Acquisition (as defined below).

## **CO-OPERATIVE AGREEMENT**

**Date:** 25 January 2008

**Parties:** 1. CUCBM  
2. Petromin  
3. The Company

### **Major content of the Co-operative Agreement**

#### *1. Purpose of the Co-operative Agreement*

By the Co-operative Agreement, the parties enter into a co-operation (the “**Co-operation**”) in accordance with the laws of the People’s Republic of China. The exclusive purpose of the Co-operation will be to jointly evaluate and implement deep un-mineable coal CO<sub>2</sub> sequestration and enhanced coalbed methane production project in China (the “**Project**”) of which the nature is primarily research and to enhance recovery and efficiency in the production of CBM from the deep un-mineable coal seams and CO<sub>2</sub> sequestration in deep coal.

#### *2. Term of the Co-operation*

The Co-operation begins on the date of execution of the Co-operative Agreement and will continue to be effective in full force for 5 years or until terminated as provided in the Co-operative Agreement.

#### *3. Business Management*

A joint project steering committee (the “**JPSC**”) will have full authority to bind the parties in all matters relating to the direction, control and management, including, but not limited to approval of annual work plan and budget of the Co-operation. The JPSC will consist of four representatives, of which two from CUCBM, one from Petromin and one from the Company.

4. *Duties of the parties*

Each party will be responsible for its respective duties as follows:

<b>Party</b>	<b>Duties Description</b>
CUCBM	CUCBM will be the operator of the Project and will be in charge of all the operational matters in the Project including field testing, data collection, operation, site equipment and materials and providing technicians, engineers, geologists and others to conduct all the necessary work on-site in the first phase of the Project.
The Company and Petromin	The Company, Petromin and Alberta Research Council will conduct the site selection, single well testing design, simulation work and analysis, and all the engineering and geological analysis in the first phase of the Project.

5. *Capital Contributions*

Each of the parties will contribute to the capital of the Co-operation, in cash or property in agreed upon value. The respective contribution of the parties in the first phase of the Project is as follows:

<b>Party</b>	<b>Contribution Description</b>	<b>Agreed Value</b>
CUCBM	All field work including wells drilling, operation, materials, services, etc.	RMB6,440,000 (equivalent to HK\$6,955,200 approximately)
The Company and Petromin	Engineering design and study, simulation technology and analysis, materials, etc.	RMB3,460,000 (equivalent to HK\$3,736,800 approximately) (to be borne by the Company and Petromin in equal shares)

An additional RMB15,000,000 (equivalent to HK\$16,200,000 approximately) or more will be funded by the parties for the second phase of the Project. The capital contribution of each party in the second phase will be decided by the JPSC through amicable consultation.

6. *Co-operation Interests*

CUCBM, Petromin and the Company will be entitled to 60%, 20% and 20% of the income, intellectual property and/or benefits derived from the Co-operation respectively.

## **Reasons and benefits of the signing of the Co-operative Agreement**

The Project will be a milestone project for the clean development of China's deep CBM reserves. The Project will be a key step towards reducing CO<sub>2</sub> emissions (and therefore global warming) while enhancing energy supply. CO<sub>2</sub> geological storage is viewed as one of the most promising mechanisms to store large quantities of captured CO<sub>2</sub> emissions. The Directors believe that the Co-operative Agreement is in the best interest of the shareholders of the Company as a whole.

## **POTENTIAL ACQUISITION**

The Company is also in negotiations of a potential acquisition of the interests in a Canada company engaged in the exploration for oil and natural gas (the "**Potential Acquisition**").

**Shareholders of the Company (the "Shareholders") and/or investors should note that the Potential Acquisition may or may not proceed, as no formal binding acquisition 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 shares of the Company.**

## **GENERAL**

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules to provide information on the Co-operative Agreement and the Potential Acquisition.

At the request of the Company, trading in its shares was suspended with effect from 3:01 p.m. on 24 January 2008 pending the issue of this announcement. Application has been made by the Company for the resumption of trading in its shares on the Stock Exchange with effect from 9:30 a.m. on 29 January 2008.

Save for the Co-operative Agreement and the Potential Acquisition disclosed herein, we confirm that there are no negotiations or agreements relating to any intended transactions which are discloseable under Chapters 19 and 20 of the GEM Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 17.10 of the GEM Listing Rules, which is or may be of price-sensitive nature.

Translation of RMB into HK\$ is made in this announcement, for illustration only, at the rate of RMB1 to HK\$1.08.

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

Hong Kong, 28 January 2008

*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](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).*