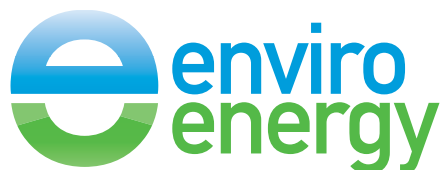


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Enviro Energy International Holdings Limited

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

RELATING TO COMPLETION OF THE DISCLOSEABLE TRANSACTION AND SIGNING OF THE DRILLING CONTRACT

The Board is pleased to announce that the completion of the Acquisition of Chavis has taken place on 13 October 2008. Immediately after the Completion, Chavis has become a direct wholly-owned subsidiary of the Company and TerraWest, which is currently held as to 67.08% by Chavis, has become an indirect non wholly-owned subsidiary of the Company.

The Board is pleased to further announce that, on 5 October 2008, TerraWest has signed the Drilling Contract with XGE to commence immediately drilling of up to two wide diameter wells with 1,500 meters and 800 meters in depth, respectively, on TerraWest's 655 square kilometers PSC acreage in Liuhuanggou area of Xinjiang province, the PRC.

COMPLETION OF ACQUISITION OF CHAVIS

Reference is made to the circular of the Company dated 6 October 2008 (the "**Circular**") relating to, among other matters, the proposed acquisition by Rich Concept of the entire issued share capital of Chavis and the allotment and issue of the Consideration Shares. Capitalised terms used herein shall have the same meanings as those defined in the Circular unless otherwise stated.

The Board is pleased to announce that, since all the conditions precedent of the Acquisition Agreement have been fulfilled, completion of the Acquisition of Chavis has taken place on 13 October 2008. In accordance with the Acquisition Agreement, the Consideration Shares will be allotted and issued to Ms. Cheng on any day, at the discretion of Rich Concept, falling within 120 days after the date of the Completion.

Immediately after the Completion, Chavis has become a direct wholly-owned subsidiary of the Company and TerraWest, which is currently held as to 67.08% by Chavis, has become an indirect non wholly-owned subsidiary of the Company.

SIGNING OF THE DRILLING CONTRACT

The Board is pleased to further announce that TerraWest, which has now become an indirect non wholly-owned subsidiary of the Company, has signed, as an operator, a drilling contract (the “**Drilling Contract**”) on 5 October 2008 with Xinjiang Geologic Engineering Co., Ltd. (“**XGE**”) as a contractor in relation to the provision for drilling and coring, cementing and casing, geophysical logging and logistical support services by XGE in the project area of Zhunnan coalfield located west of the Urumqi River, Xinjiang, the PRC. Pursuant to the Drilling Contract, XGE will commence immediately drilling of up to two wide diameter wells with 1,500 meters and 800 meters in depth, respectively, in October 2008 on TerraWest’s 655 square kilometers PSC acreage in Liuhuanggou area of Xinjiang province, the PRC.

Subject to availability, two separate rigs are to be used over the anticipated 45-day drilling programme.

The 1,500 meters well (No. 08-03) offsets a TerraWest 2006 coal coring drillhole and gas desorption location (No. 06-01) completed in 2006 which encountered approximately 30 plus meters of Jurassic aged (Xishanyao or J2x formation) coal with gas content of up to 100 cubic feet/ton at a depth of approximately 450 meters.

This 1,500 meters well is designed to also test for a deeper second Jurassic aged (Badaowan or J1b formation) coal at approximately 1,100 meters and test various sandstones for gas potential along the way. The hole will be logged and the well is expected to be cased to 1,500 meters with coring of the deeper coal and later production testing of the various zones of interest including well stimulation with a frac anticipated in the upper coal.

The 800 meters well (No. 08-01) offsets another TerraWest coal coring drillhole and gas desorption location (No. 06-03) and is designed to be drilled and cased to the top of the J2x coal and then to run open hole permeability and production flow tests of the 40 meters plus J2x coal seams.

TerraWest is also negotiating for a third well anticipated to be drilled this fall which would be a step out location (No. 08-02) to the northeast for further drillhole coring and gas desorption testing thus expanding the potential resource area of the J2x coal and if successful follow up with another offsetting production test well.

The PSC is located on the southern margin of the Junggar sedimentary basin, which is a productive petroleum and natural gas region considered highly prospective for CBM based on the extensive coal resources. There are a number of active coal mines in the southern sector of the Junggar Basin and new CBM exploration projects have been recently announced. There is an existing natural gas pipeline infrastructure adjacent to the PSC project area that carries conventional natural gas produced in the Junggar Basin to the nearby provincial capital city of Urumqi and links the area to the major trans-national West-East pipeline. Urumqi, a city of over two million people, is located adjacent to the PSC project area and is an emerging natural gas market in its own right. The Junggar Basin is targeted for further oil and natural gas pipeline development. The preliminary estimate of CBM potential for the whole Junggar Basin, as reported by CUCBM, is 69 trillion cubic feet (i.e. approximately 2 trillion cubic meters).

TerraWest holds 47% of the PSC which is one of the CBM production sharing contracts in the PRC with a foreign party on an area leased by PetroChina. TerraWest is the operator of the PSC project area. Three drillholes were previously drilled in the acreage and intersected coal seams with an aggregate thickness of over 40 meters. Gas desorption from the drillholes indicated a gas content of 65-100 Scf/ton. Preliminary calculations indicated more than eight billion cubic feet per square mile (section) of gas potential in the areas where the intersected coal seams are well developed. As indicated, this gas potential does not include the deeper Badaowan formation coal seams.

To encourage the development and production of domestic CBM, the Chinese Government has (1) waived value-added tax on CBM gas production; (2) given CBM gas priority over conventional gas for pipeline access; and (3) granted a price subsidy for CBM gas sales (approximately US\$1.00 per million cubic feet).

With the successful completion of the acquisition of 67.08% shareholding interest in TerraWest through Chavis and the execution of the Drilling Contract, the Directors believe that TerraWest will contribute additional profits and cashflow in the long run and accelerate the pace of business expansion of the Group.

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

Hong Kong, 13 October 2008

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.