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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: 1102)

UPDATE ON LIUHUANGGOU CBM OPERATIONS PILOT WELL COMPLETION AND TESTING OF THICK COAL ZONES

The Board is pleased to announce that TWE is continuing 2010 CBM operations through the winter as it focuses the ongoing work program towards pilot development at the Liuhuanguo Project.

The board (“**Board**”) of directors (“**Directors**”) of Enviro Energy International Holdings Limited (“**Company**”) is pleased to announce that TerraWest Energy Corp. (“**TWE**”), a non wholly-owned subsidiary of the Company, is continuing 2010 coalbed methane (“**CBM**”) operations through the winter as it focuses the ongoing work program towards pilot development at the Liuhuanguo CBM project (“**Liuhuanguo Project**”) in Xinjiang, the People’s Republic of China (“**China**”).

TWE continues gas flow testing at two wells despite the onset of winter conditions, sometimes severe. The testing is being conducted by local oilfield service units under the supervision of TWE’s senior production engineering staff. The well completions have included some of the thickest single-well coal zone perforations ever reported in China.

Pilot CBM Well LHG 08-01

LHG 08-01 produced water and flared gas in previous 2009 testing of a 30 metre open-hole section of Jurassic Xishanyao (“**J2X**”) coal seam. In late 2010, testing was expanded to include upper J2X coal seams. TWE perforated two coal seams over a 12.2 metre thick zone.

Water and gas were produced from the coal seams. Testing was completed and the results are being evaluated to be combined with other well test data to develop the reservoir model.

Pilot CBM Well LHG 08-03

Previous coring of coal seams and well logs confirmed the presence of gas in this well as previously reported. Desorption analysis of core samples indicate gas content to 150 standard cubic feet per ton (“scf/t”). The ongoing work at LHG 08-03 is aimed at better understanding reservoir parameters prior to initiating fracture stimulation. TWE completed perforation of twelve (12) zones in six (6) J2X coal seams at varying depths covering a total of 38 metres. Completion perforation across a coal seam thickness of this extent is unique in China.

The well is pumping water prior to initial gas. Once stable gas flow is established and basic productivity of the zones is analysed, the well will be shut-in and prepared for fracture stimulation.

Testing is planned to continue into the first quarter of 2011.

Pilot CBM Well LHG 10-01

Drilling was completed at the pilot well LHG 10-01 on 25 November 2010 and the well was subsequently logged and prepared for testing. Preliminary interpretation of the downhole logs indicate over 65 metres of J2X coal seams were intersected in the LHG 10-01 well. Corehole drilling in the vicinity (LHG 09-03) and coal sampling completed in 2009 indicate the J2X to have gas content to 250 scf/t.

TWE completed perforation of three coal seams covering a 31.25 metre zone. Again this is one of the largest single-well coal zone perforations in China to date. The coal seam package in this zone is under testing at the present time and water is being pumped from the coal. Testing will continue into the first quarter of 2011 and additional coal seams will be tested in due course.

Testing operations will be extended to previously drilled, logged and cased wells LHG 10-02 and LHG 10-03 as weather permits. These wells will test the prospective Jurassic Badaowan (J1B) coal seams and gas-bearing surrounding rocks.

Training seminar held in Karamay, Xinjiang

TWE provided a CBM geology and drilling seminar to personnel of Xinjiang Oilfield Company and various contractors on 10 January 2011. The seminar, held in Karamay, Xinjiang was organised by TWE with assistance from Xinjiang Oilfield Company and PetroChina Coalbed Methane Co. Ltd. (PCCBM). TWE geologists and engineers provided a background summary of all the CBM operations over the past five (5) years as well as presentations on coal geology and characterisation as well as CBM drilling issues. Approximately 30 persons attended the seminar.

The Liuhuanggou Project, covering approximately 653 square kilometres (255 square miles; 163,200 acres) in the southern Junggar basin of Xinjiang, China operates under a production sharing contract (“PSC”) dated 30 December 2005 entered into between TWE and China United Coalbed Methane Corporation Limited (“CUCBM”).

As at the date hereof, the Company held approximately 64.98% of the current issued common shares and preferred shares in the capital of TWE, or approximately 74.25% of the issued common shares, preferred shares, warrants and options outstanding in the capital of TWE on a fully diluted basis, respectively. TWE is the Operator and holds a 47% interest in the PSC with CUCBM holding 53%. Under the terms of the PSC, CBM is defined as all gas stored in four (4) named geologic formations of Jurassic age to a depth of 1,500 metres.

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

Hong Kong, 24 January 2011

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