

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

PILOT WELL TESTED POSITIVE FOR CBM WITHIN THE J2X FORMATION AT LIUHUANGGOU PROJECT

The Board is pleased to announce that TWE has completed initial testing of the first 2010 pilot production well at the Liuhuanguo Project. TWE has encountered a productive CBM interval in the LHG10-01 pilot production well, and gas was flared.

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, has completed initial testing of the first 2010 pilot production well on its Liuhuanguo coalbed methane (“**CBM**”) lands (“**Liuhuanguo Project**”) in Xinjiang, the People’s Republic of China (“**China**”). The Liuhuanguo Project covers an area of approximately 653 square kilometres (255 square miles; 163,200 acres).

TWE has encountered a productive CBM interval in the LHG10-01 pilot production well. The productive interval was encountered within the Jurassic Xishanyao (“**J2X**”) formation at a depth between 611 and 665 metres. Initial CBM flow came from a 31.25 metre perforated interval of the J2X #14-16 coal seams, including #14 seam interval of 16 metres thickness, which TWE has not yet fracture stimulated. Gas was flared. The LHG10-01 well has a total depth of 720 metres and intersected over 65 metres total thickness of J2X coal seams.

Mr. Chan Wing Him Kenny, the Chairman and Chief Executive Officer of the Company, said “*Flowing CBM from this interval of the J2X encountered at the LHG10-01 adds important basic reservoir information to our project database, as the scope of our pilot program at Liuhuanguo continues to expand.*”

The LHG10-01 well is located approximately 4 to 5 kilometres west of well LHG08-01 which produced water and flared produced CBM in testing in 2009. LHG10-01 was drilled as a pilot production well for the J2X coal seams in the western portion of the Liuhuanguo Project area, where coal seams are thick and gas contents relatively high. Gas content ranges to approximately 310 standard cubic feet/ton (dry, ash free basis).

The Liuhuanguou Project pilot production program currently underway includes drilling, well testing, and fracture stimulation of target intervals after testing. The program comprises a total of 10 wells of which three vertical wells have been drilled, logged and cased. LHG10-01 was the first of the 2010 wells to undergo initial gas flow and pump testing. Such testing provides the basic engineering data to support further well completion work including fracture stimulation.

Wells LHG10-02 and LHG10-03 are to be tested after spring break-up. These two wells will test the Jurassic Badaowan (J1B) formation including multiple coal seams and gas-bearing surrounding rocks. The combination of multiple coal seams with aggregate thickness of approximately 30 metres and other potentially productive intervals including shale provides a unique natural gas target of great merit.

The Liuhuanguou Project is located in the highly prospective southern Junggar Basin of Xinjiang, western China, and lies adjacent to the capital city of Urumqi, a burgeoning energy centre for the Junggar region which is rich in hydrocarbons and an active producer of petroleum, natural gas and coal. The CBM potential of the Junggar Basin has attracted international interest from such CBM majors as BP Corporation and Dart Energy Limited which are undertaking early stage exploration activities.

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

Hong Kong, 5 April 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