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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)

**UPDATES ON THE LIUHUANGGOU CBM PROJECT
AND SUPPLEMENTAL LETTER IN RELATION TO
DISCLOSABLE TRANSACTIONS**

The Company is pleased to announce that TWE has issued a new report on CBM resources at its Liuhuanguou CBM project in Xinjiang, China.

On 11 July 2012 (after trading hours), TWE and Aces Diamond signed the Supplemental Letter to, among others, extend the exercise period of 40,000,000 B Warrants and 27,000,000 C Warrants to on or before 4:00 p.m. on 17 August 2015 and 29 July 2015 (Vancouver time), respectively.

UPDATES ON THE LIUHUANGGOU CBM PROJECT

Enviro Energy International Holdings Limited (“**Company**”) is pleased to announce that TerraWest Energy Corp. (“**TWE**”) has issued a new report on coalbed methane (“**CBM**”) resources at its Liuhuanguou CBM project in Xinjiang, China.

TWE has previously issued two independent assessments of natural gas resources at the Liuhuanguou project. The first report (“**Norwest Report**”), prepared by Norwest Corporation (“**Norwest**”) of Calgary, Canada, details of which have been disclosed in the circular of the Company dated 9 December 2010, focused on one area of the Liuhuanguou project area where drilling is sufficient to estimate CBM resources in place, discovered CBM resources and higher level CBM Contingent Resources according to reporting standard National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities (NI 51-101) and Canadian Oil and Gas Evaluation Handbook. The Norwest Report provided an estimate of Discovered CBM gas initially in place (“**Discovered GIIP**”) which ranges from (Low) 70.00 to (High) 514.07 billion cubic feet (“**BCF**”) with a Best estimate of 147.43 BCF for the evaluation area.

The second report (“**NSAI Report**”) prepared by Netherland, Sewell and Associates, Inc. of Houston, the United States of America, details of which have been disclosed in the announcement of the Company dated 10 October 2011, evaluated the remainder of the project area and estimated CBM resources in place as well as natural gas resources in place in accordance with the Petroleum Resources Management System (PRMS) standard developed by the Society of Petroleum Engineers (SPE) of the United States of America. The NSAI Report provided an estimate of undiscovered original gas-in-place (OGIP) which ranges from (Low) 7.179 to (High) 19.185 trillion cubic feet (“**TCF**”) with a Best estimate of 11.825 TCF for the evaluation area.

The new report, also prepared by Norwest converts the CBM Discovered GIIP and Contingent Resources as previously estimated by Norwest to CBM categories according to China national reporting standard, CBM Resources / Reserves Specification DZ/T 0216 – 2010. Such conversion is another step in the process of outlining development areas and ultimately the determination of commercially recoverable CBM reserves.

Of particular note, Norwest’s estimate of (High) Contingent Resources totaling 244.18 Bcf may be classified as Probable Recoverable Reserves in China.

Summary of conversion to China standard classification:

CBM Resources / Reserves Conversion	
National Instrument 51-101	China’s CBM Specification
Discovered GIIP Best Estimate	Proved Original Coalbed Methane In Place
147.43 BCF	147.43 BCF
Discovered GIIP Inferred Resource Estimate	Probable Original Coalbed Methane In Place
366.64 BCF	366.64 BCF
Contingent Resource High Estimate	Probable Recoverable Reserve
244.18 BCF	244.18 BCF

The report by Norwest is their expert opinion of the CBM resource estimates according to the China standard. The Norwest opinion estimates have not been certified by relevant Chinese authorities and such certification is expected to follow in due course after review by such authorities.

The evaluation area which holds the DZ/T 0216 – 2010 Probable Recoverable Reserves / NI51-101 CBM Contingent Resources is the most likely area of initial commercial development since it represents the area of Discovered CBM Resources and holds the highest level estimates at this time.

As at the date hereof, the Company held approximately 71.61% of the current issued common shares and preferred shares in the capital of TWE, or approximately 82.92% of the issued common shares, preferred shares and warrants outstanding in the capital of TWE on a fully diluted basis, respectively. TWE and China National Petroleum Corporation (“CNPC”) hold an interest of 47% and 53%, respectively, in a 30-year production sharing contract (“PSC”), which is located in Xinjiang, China. The PSC is now administered by PetroChina Coalbed Methane Company Ltd., an indirect subsidiary of CNPC. The PSC covers 653 square kilometres (255 square miles or 163,000 acres) and is located adjacent to the city of Urumqi, the capital of Xinjiang Uyghur Autonomous Region, China.

SUPPLEMENTAL LETTER IN RELATION TO DISCLOSABLE TRANSACTIONS

This announcement is made pursuant to Rule 14.36 of the Listing Rules.

Reference is made to the announcements of the Company dated 23 July 2009, 7 August 2009 and 18 August 2009 in connection with the TWE Subscription and the announcements of the Company dated 30 June 2010 and 26 July 2010 in connection with the Subscription. Both the TWE Subscription and the Subscription constituted discloseable transactions of the Company under the Listing Rules. Unless otherwise defined herein, all capitalised terms used herein shall

have the same meanings as those defined in the announcements of the Company dated 23 July 2009 and 26 July 2010, respectively.

On 11 July 2012 (after trading hours), TWE and Aces Diamond signed a supplemental letter to the TWE Subscription Agreement and the Subscription Agreement (“**Supplemental Letter**”) to, among others, extend the exercise period of 40,000,000 B Warrants and 27,000,000 C Warrants to on or before 4:00 p.m. on 17 August 2015 and 29 July 2015 (Vancouver time), respectively.

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

Hong Kong, 11 July 2012

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