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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 THE LIUHUANGGOU CBM PROJECT

TWE reports that the corporation has taken the necessary steps to advance its position in the dispute including the retaining of special international arbitration counsel. The Company supports TWE's efforts to assert claims against CNPC and to protect the corporation's assets and commercial interests as represented by the PSC, and is supportive of TWE's efforts to protect the interests of its shareholders.

As previously reported, TerraWest Energy Corp. ("TWE"), a non wholly-owned subsidiary of Enviro Energy International Holdings Limited ("Company") has declared a dispute with China National Petroleum Corporation and / or its affiliates ("CNPC") in relation to its Lihuanguou coalbed methane ("CBM") production sharing contract ("PSC").

TWE has advised its shareholders of certain important developments in the referenced dispute. It reports that the corporation has taken the necessary steps to advance its position in the dispute including the retaining of special international arbitration counsel. The retained counsel has instigated a complete compilation of all relevant records and documents in relation to the dispute and arbitration provisions of the PSC as well as TWE's various notices to CNPC in compliance with such provisions.

The Company supports TWE's efforts to assert claims against CNPC and to protect the corporation's assets and commercial interests as represented by the PSC, and is supportive of TWE's efforts to protect the interests of its shareholders. The Company understands that TWE has the required financial means and capability to advance the dispute to a favourable and conclusive result.

As previously reported, TWE holds a 47% interest in and is the operator in the first and currently the only, foreign-operated CBM PSC in the Junggar Basin of Xinjiang, China. CNPC holds the remaining 53% of the PSC. The PSC is now administered by PetroChina Coalbed Methane Company Ltd., an indirect subsidiary of CNPC. TWE pioneered CBM operations in the Xinjiang region of China and since the PSC came into force in 2006, the project has reported independently evaluated discovered CBM resources and natural gas resources in-place. To date, these are the only independently evaluated CBM resources (including substantial natural gas in other rocks) reported in the Junggar Basin. These reported results, estimated based on drilling results according to international resource-reporting standards, reflect the substantial resource value for both TWE and CNPC, in-place within the total PSC area.

The Liuhuanggou CBM PSC was executed on 30 December 2005 and came into effect on 1 March 2006. The PSC covers an area of 653.718 square kilometers (approximately 255 square miles) and provides the parties to the contract exclusive rights across the entire area of the PSC, to explore for, develop, produce and sell gas consisting methane and stored in the formations as stated in the PSC.

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

Hong Kong, 28 April 2014

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