

[For immediate release]

## **EPI Announces its Drilling Collaboration Agreement with SinoPec The Process of Delivering Drilling Equipments has Begun**

(Hong Kong, 31 August 2010) – **EPI (Holdings) Limited** (“EPI” or the “Group”) (SEHK: 689) has announced today that the drilling collaboration agreement of its wholly-owned subsidiary Have Results Investments Limited, with SinoPec International Petroleum Service Corporation (“SinoPec”), a wholly owned subsidiary of China Petrochemical Corporation, has started the process of delivering drilling machinery and equipments.

Under the drilling collaboration agreement, SinoPec will deploy drilling machinery together with the oil project team including 30 technical professionals to provide drilling services for the Group’s Mendoza oilfield project. The 7,300 cubic meter ZJ50D drilling machine and other large-scale ancillary equipment including derricks, logging equipment and barracks have begun the delivery process via inland transportation to Tianjin Port, China in August 2010. Encasement started on 29 August 2010 and the equipment departed Tianjin Port in the morning of 31 August 2010. To note the occasion, the Group has held a simple drilling equipment departure ceremony.

The drilling machinery and equipment are expected to arrive at Buenos Aires, Argentina in early October 2010. They will be delivered from there through inland transportation to the Mendoza oil field where EPI has a 51% working interest. SinoPec is scheduled to start drilling works for new wells by November 2010 after installation, inspecting and testing of equipment.

**Mr. Joseph Wong, Chairman and CEO of EPI**, said, “In addition to the five oil wells that the Group currently operates, with the joint force of SinoPec’s drilling professional team and services, we believed that will greatly enhance the success of the execution in our Mendoza oilfield project development plan. The abundant professional knowledge and prolific drilling experience of SinoPec’s oil project team, together with their acquainted with self-owned equipment, that will shorten the construction period and lessen our capital expenses so as to increase our investment return of our oilfield project. The collaboration with SinoPec marks an important decision of the Group in the development work of the Mendoza oilfield project in Argentina, which also signify a major step forward for the Chinese petroleum engineering and exploration work in Argentina.”

- End -

### **About EPI (Holdings) Limited (Stock code: 689HK)**

EPI is a company that primarily focuses on the production of oil and gas in the energy and resource sector. While having a strong oil and gas exploration and production operation in Argentina, EPI is progressively expanding its portfolio through strategic mergers and acquisitions in other oil and gas projects around the world. EPI is committed to becoming one of Asia’s leading operators in the oil and gas industry and is proactively pursuing investment opportunities that create long-term, sustainable value to our shareholders.

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**Photo Caption**

1) The Group holds a simple drilling equipment departure ceremony. Officiating guests included representatives from SinoPec, the shipping company and the Tianjin Port Authority, and was hosted by Mr. Jacky Zhou, Executive Director of EPI.

**Photo 1**



**Photo 2**



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2) Components of the 7,300 cubic meter ZJ50D drilling machine.

Photo 3 Gas rack and mud inspection room



Photo 4 Mud circulation tank

