

[For immediate release]

EPI Announces 2010 Interim Results

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Continues to Develop and Grow the Oil and Gas Business

(Hong Kong, 30 August 2010) – **EPI (Holdings) Limited** (“EPI” or the “Group”, SEHK: 689) today announced its interim results for the six months ended 30 June 2010.

In the first six months of 2010, the Group’s turnover was HK\$300.3 million (2009: HK\$341.2 million) with gross profit of HK\$11.2 million (2009: HK\$19.8 million). The Group has the sales of oil and gas in turnover following the completion of the oil exploitation right in Mendoza, Argentina on 3 November 2009. Profit attributable to the owners of the Group was HK\$8.8 million (2009: HK\$78.7 million). The Group’s new business of petroleum exploration and production is still in early development stage and has nominal contribution to the Group’s profitability. The board of directors of the Group has resolved that no interim dividend be paid for the period (2009: NIL).

Business Review

The **Oil and Gas** business recorded revenue of HK\$12.5 million during the review period, with gross profit of HK\$3.9 million after deducting oil and gas properties depreciation and gross profit margin at 31.2%. The Group has completed the drilling of another 3 oil wells after started the business and finished drilling of 2 oil wells in year 2009, total 4 oil wells are in production during the period.

On 12 April 2010, Have Results Investments Limited, a wholly-owned subsidiary of the Group, has signed a collaborative agreement with SinoPec International Petroleum Service Corporation (“SinoPec”), a wholly-owned subsidiary of China Petrochemical Corporation, for drilling service at Mendoza oilfield project in Argentina. Under the agreement, SinoPec will deploy its oil project team including technical professionals, well advanced drilling machinery, tools as well as other equipments to develop and to drill the oil wells in Mendoza oil field where EPI has 51% of working interest.

In June 2010, SinoPec has deployed a team of professionals including technicians, lawyers, logistics professionals, to Argentina to perform preparation work. In July 2010, SinoPec has started the process of delivering the drilling machinery and other equipments to Tianjin Port, China. The equipments are scheduled to depart Tianjin Port to Buenos Aires Port on 31 August 2010. SinoPec will deploy a whole team of professionals to Mendoza in September 2010.

As of the report date, all the 5 oil wells that the Group drilled in Mendoza oilfield are in production, at 100% successful rate. Out of the 5 oil wells, CH-25 bis and CH-7 bis are testing deep wells with depth over 4,200 meters, have reached the Protrerrillos Formation, the first time in history in this oilfield to have production in Protrerrillos Formation. Up to June 2010, the total net proceeds from crude oil sales, after deducting direct oil field operating expenses and taxes, was HK\$12.5 million.

Operations review:

Well	Status	Depth (m)	Date of Production
1. CH-1052	• In production	3,697	26 November 2009
2. CH-1053	• In production	3,580	8 December 2009
3. CH-1055	• In production	3,600	25 March 2010
4. CH-25 bis	• In production	4,685	12 May 2010
5. CH-7 bis	• In production	4,200	14 August 2010

The *Non-Ferrous Metals Sourcing and Trading* business recorded turnover of HK\$252.2 million during the review period, with segment profit of HK\$49.1 million. The Group's main business focus is in the oil exploration and production thus has reduced the copper cathodes trading activities. The Group will continue to source and trade copper cathodes on a selective basis and only when the market allows a reasonable margin for the transactions.

The turnover of *Consumer Electronics* business reached HK\$35.6 million with segment profit of HK\$0.6 million. The consumer electronics business has minimal contribution to the earnings before interest, tax, depreciation and amortization (EBITDA) and the management had decided to dispose the business and focus on the resources exploration and production business. On 27 August 2010, the Group entered into two agreements to dispose the companies holding the assets and business of the consumer electronics to independent third parties at the consideration of HK\$1 million in total. The Group expects to recognise a gain of HK\$3.4 million upon the completion of the disposal in the second half of 2010.

Prospects

Looking ahead, the Group will continue to increase the production of crude oil in Mendoza oil field project and will continue to develop and grow the oil and gas business.

The hydrocarbons exploitation concession of Puesto Pozo Cercado Area and the Chañares Herrados Area of Mendoza oilfield that the Group has 51% working interest, have a term of 25 years commencing from 1992 and 1996 respectively, with the possibility of a 10-year extension. The concession owners have applied for the 10-year extension to the Mendoza Government. The Group expects the whole process of the license extension will be completed by first half of 2011.

As for the drilling plan, Chañares Herrados, the concession owner, has approved the drilling plan for year 2010 submitted by the Group and has made application of drilling plan to the Government in second quarter of year 2010. The Group expects that an approval will be granted by the Government on third quarter of year 2010. The Group is discussing with Chañares Herrados, the concession owner, on the overall drilling plan in the Concession other than the 5 oil wells that has completed drilling and in production.

Besides, SinoPec has scheduled to ship the drilling machinery and other equipment on 31 August 2010 and is expected to arrive at Buenos Aires in mid-October 2010. After inland transportation from Buenos Aires, installation, inspecting and testing of equipment, SinoPec is scheduled to start drilling work of new wells by November 2010.

On 15 July 2010, the Group entered into a non-legally binding letter of intent with an independent third party in respect of a proposed formation of a joint venture enterprise in certain areas in Mendoza, Republic of Argentina which are outside the Puesto Pozo Cercado Area and Chañares Herrados Area, where the Group is currently in operations. The independent third party is the holder of hydrocarbon exploration and exploitation concessions in the Areas and the proposed joint venture will be engaged in the business of exploitation and production of oil and gas in the business of exploitation and production of oil and gas in the Areas. The parties have 45 days to negotiate the terms of the proposed joint venture. Despite the period of negotiation has expired on 30 August 2010, the negotiation is still in progress.

On 9 August 2010, the Group entered into another non-legally binding letter of intent with an independent third party in respect of a proposed acquisition of a group of companies holding the concessions and/or operating rights with operations in Argentina. The proposed acquired group of companies is in operations with a positive cash flow and the EBITDA for the year ended 31 December 2009 exceeding US\$30 million. The Group is now negotiating the acquisition price with the seller.

Mr. Joseph Wong, Chairman and CEO of EPI, said, “We will grow through selective acquisition and development of proved but undeveloped oil and gas resources assets in South America and other promising markets. During the period, we have already identified several oil assets and are under valuation and negotiation stage of discussion. The Group will strive to become one of the leading players in the oil and gas industry.”

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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.

EPI (Holdings) Limited
2010 Interim Results Announcement

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