

[For immediate release]

**Termination of the Previous JV Agreement with Maxipetrol  
EPI Establishes a New Joint Venture Company with Chañares  
for Exploration, Exploitation and Development of Hydrocarbon  
in Mendoza Oilfield project in Argentina**

\* \* \* \*

**Profit Sharing Increased to 72%  
Fully Seize the Growth Potential in the Petroleum Industry**

(Hong Kong, 20 December 2010) – **EPI (Holdings) Limited** (“EPI” or the “Group”, SEHK: 689) announced today that Southstart Limited (“Southstart”), a wholly-owned subsidiary of EPI and Chañares Herrados Empresa de Trabajos Petroleros S.A. (“Chañares”) signed the agreement in relation to the formation of a joint venture company for exploration, exploitation and development of hydrocarbons in Chañares Herrados Area and Puesto Pozo Cercado Area (the “Areas”) in Mendoza, Argentina. Chañares is the holder of the hydrocarbon exploitation concessions rights (“Concessions”) of the Areas, which are the same concession area under the previous joint venture agreement (“Previous JV Agreement”) signed between Have Result Investments Limited (“Have Result”), the Group’s wholly owned subsidiary, and Maxipetrol-Petroleros de Occidente S.A. (“Maxipetrol”) in 2009.

**Termination of the Previous JV Agreement with Maxipetrol**

Have Result accepted and affirmed the termination of the Previous JV Agreement with Maxipetrol prior to signing the joint venture agreement with Chañares. Have Result remains entitled to a 51% right in the production from the Existing Wells, provided that Have Result continues to pay the relevant operating costs. \*

**Formation of JV Company with Chañares**

In the Agreement, EP Energy S.A. (“EP Energy”), to become a wholly-owned subsidiary of Southstart, and Chañares shall form the JV Company which will be owned as to 72% by EP Energy and 28% by Chañares with respectively oil output sharing ratio. \*

**Progress of Current Oil Production and Operations**

The existing five oil wells (including two exploration wells) were drilled during November 2009 and this year. They are now in full production and are currently producing 360 days per year.

SinoPec International Petroleum Service Corporation (“SinoPec”), a wholly owned subsidiary of China Petrochemical Corporation, has delivered drilling machinery and all related equipment to Chañares Herrados Area and Puesto Pozo Cercado Area for the planned additional 5 oil wells that are scheduled to start drilling works in January 2011. There will be a supplement agreement signed by SinoPec and Southstart to replace the current drilling collaboration agreement signed between Have Result and Sinopec for further drilling collaboration together with both groups.

**Mr. Joseph Wong, Chairman and CEO of EPI**, said, “We are delighted to form a JV Company and thus enable us to work directly with Chañares, the Concessions owner of the Areas to continue its exploitation plan in the Chañares Herrados Area and Puesto Pozo Cercado Area. In addition, the Group will be entitled to 72% of the production obtained from the wells drilled by EP Energy. Taking into account of the increased profit sharing ratio of 72% as compared to that of the Previous JV Agreement of 51% and the growth potential in the petroleum industry, we see the formation of the new JV Company is in the interest of EPI and the shareholders as a whole.”

“Presently, the existing oil wells that we currently operate will continue to contribute revenues to the Group. This August, we have already submitted the application for the extension of our concessions license, we are optimistic about the approval and will work in full force with Chanares to achieve the license extension. With the joint force of SinoPec’s drilling professional team and services, as well as the formation of JV Company with Chañares, we believe the Group can be further strengthened for the success of executing the development plan in the Chañares Herrados Area and Puesto Pozo Cercado Area of Mendoza oilfield project in the coming years. We are committed to becoming a long term oil exploration and production group and maximizing the return for our shareholders.”

*- End -*

\* Remarks: Please refer to the announcement filed to Hong Kong Clearing and Exchanges Limited on 20 December 2010 for detailed terms and conditions about the formation of JV Company and the termination of the previous JV agreement with Maxipetrol. EPI’s shares will resume trading on the Stock Exchange of Hong Kong from 9:30 a.m. on 21 December 2010.

**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.

**About Chañares Herrados Empresa de Trabajos Petroleros S.A. (“Chañares”)**

Chañares is the holder of the Concessions and is principally engaging in the development and operation of oil and gas business in the Chañares Herrados Area and Puesto Pozo Cercado Area covering an aggregate area of 210 square kilometers located in Cuyana Basin, Mendoza Province in Argentina where EPI's oilfield project locates. Chañares was awarded the hydrocarbon exploitation concession of Chañares Herrados Area and Puesto Pozo Cercado Area with a term of 25 years commencing from 1992 with the possibility of a 10-year extension and it has made the request for the extension of the terms of the Concessions.

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