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## ANNOUNCEMENT

Reference is made to the circular of EPI (Holdings) Limited (the "Company") dated 9 October 2009 (the "Circular") and the Company's announcement dated 23 November 2009, 03 December 2009, 10 March 2010 and 24 May 2010 (the "Announcements"). Capitalised terms used in this announcement shall have the same meaning as in the Circular and the Announcements unless otherwise defined.

The Board wishes to update shareholders and investors on the progress of the wells drilling of the Mendoza oil field project in Argentina. CH-7 bis commenced the perforation on 20 June 2010. Holes were punched at 3,953-3,961 meters, 3,756-3,759 meters and 3,749.5-3,753.5 meters of the reservoirs in Potrerillos Formation, in total 15 meters. The trial Production achieved a good result and the oil gushed is approximately 500 barrels a day. Achieving such a high level of trial production at the Potrerillos Formation is the first time in history in the local area and it signifies our Company had achieved a breakthrough in oil exploration at the Potrerillos Formation. It also has great meanings to the exploration and exploitation of oil in the Chanares concession and even to the exploitation of oil in Mendoza Province of Argentina.

We are delighted to see that the local area's main reservoirs above 3,600 meters had eight layers of 32.5 meters yet been perforated. When the production at the Potrerillos Formation decreased, holes would be punched at the above reservoirs and it is also expected to achieve a high level of production.

Have Result will drill 5 additional new wells in this year. The drilling service team of Sinopec International Petroleum Service Corporation had undergone good preparation works in last three months. According to the plan, the drilling equipment would be delivered from mainland China in mid July and arrive at the site in Argentina by the end of September. The team will commence the drilling works in the beginning of October 2010.

For and on behalf of  
**EPI (Holdings) Limited**  
**Wong Chi Wing, Joseph**  
*Chairman*

Hong Kong, 5 July 2010

*As at the date of this announcement, the Board comprises of three executive Directors, namely Mr. Wong Chi Wing, Joseph, Mr. Chu Kwok Chi, Robert and Mr. Zhou Jacky, one non-executive Director, namely Mr. Leung Hon Chuen and three independent non-executive Directors, namely, Mr. Zhu Tiansheng, Mr. Qian Zhi Hui and Mr. Poon Kwok Shin, Edmond.*

\* for identification purpose only