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## **LETTER OF INTENT FOR PROPOSED ACQUISITION**

The Board is pleased to announce that on 9 August 2010, the Company entered into a 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 Board wishes to emphasize that the negotiations for the Proposed acquisition may or may not proceed. Shareholders and investors of the Company are urged to exercise caution when dealing in the shares of the Company.**

The board of directors (the “**Board**”) of EPI (Holdings) Limited (the “**Company**”) is pleased to announce that on 9 August 2010, the Company entered into a non-legally binding letter of intent (the “**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 Acquisition**”). The proposed acquired group of companies are in operations with a positive cash flow and the earnings before interest, taxes, depreciation and amortization (EBITDA) for the year ended 31 December 2009 exceeding US\$30 million.

The Proposed Acquisition may or may not proceed and the details of the terms of the Proposed Acquisition will be further discussed and agreed between the Company and the independent third party upon the completion of the in-depth confirmatory due diligence review of financial, tax, legal, technical and valuation of oil reserves. If the Proposed Acquisition proceeds, the transaction may constitute a notifiable transaction for the Company under Chapter 14 of the Rule Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and further announcement will be made by the Company in accordance with the Listing Rules.

**The Board wishes to emphasize that the negotiations for Proposed Acquisition may or may not proceed. Shareholders and investors of the Company are urged to exercise caution when dealing in the shares of the Company.**

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

Hong Kong, 9 August 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