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**(i) HEADS OF AGREEMENT
IN RELATION TO A POSSIBLE ACQUISITION OF
51% OPERATING INTERESTS IN OILFIELD IN ARGENTINA;
(ii) UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS; AND
(iii) RESUMPTION OF TRADING**

HEADS OF AGREEMENT

On 29 July 2009 (before trading hours), EPI Mines Investment Limited (the “Purchaser”), a wholly-owned subsidiary of EPI (Holdings) Limited (the “Company”, and together with its subsidiaries, the “Group”) has entered into a heads of agreement (the “Heads of Agreement”) with a potential vendor (the “Vendor”) in relation to the possible acquisition by the Purchaser (the “Possible Acquisition”) of the entire issued share capital of and shareholder’s loans (if any) due by a company (the “Target”) which has a 51% operating interests in an oilfield in Argentina.

To the best of the knowledge, information and belief of the directors of the Company, and having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Rules Governing the Listing of Securities (the “Listing Rules”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”)).

Pursuant to the Heads of Agreement, the consideration for the Possible Acquisition would be approximately HK\$3.3 billion and shall be satisfied by a combination of cash, promissory note, the issue of new shares of the Company (the “Shares”) at the issue price of HK\$0.19 per share and the issue of convertible notes carrying rights to convert into new Shares at an initial conversion price of HK\$0.205 per share.

The Heads of Agreement shall remain in effect for one month from the date of the Heads of Agreement (or such longer period as the parties may mutually agree) during which time the Vendor undertakes not to, whether directly or indirectly, enter into any negotiation, arrangement or agreement (whether subject to conditions or otherwise) similar or relating to the Possible Acquisition with any other party. However, save for this exclusivity undertaking and the restriction on assignment and disclosure, the Heads of Agreement is non-binding.

Other than the Vendor, a creditor of the Target has certain rights to subscribe for shares in the Target under a loan and option agreement signed between, inter alia, the Target and such creditor. It is a pre-condition to the signing of a formal and legally binding sale and purchase agreement that either (i) such creditor has waived any and all its rights to subscribe for shares in the Target, in which event the outstanding amount due to such creditor shall be deducted from the consideration for the Possible Acquisition; or (ii) such creditor has exercised its subscription rights and become a shareholder of the Target in which event such creditor shall join in as one of the vendors.

The Board of Directors of the Company (the “Board”) wishes to emphasize that the Possible Acquisition is subject to, among others, the signing of a formal agreement for sale and purchase, the terms and conditions of which are yet to be agreed. As the Possible Acquisition may or may not proceed, investors and shareholders of the Company are advised to exercise caution when dealing in the securities of the Company. Further announcement in respect of the Possible Acquisition will be made by the Company should any formal agreement be entered into as and when appropriate in accordance with the Listing Rules.

UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS

This following statement is made at the request of the Stock Exchange.

The Board has noted that there were increases in the price and trading volume of the Shares on 28 July 2009 and wishes to state that the Board is not aware of any reasons for such movement.

The Board also confirms that, save as disclosed above, there are no other negotiations or agreements relating to any intended acquisitions or realisations which are discloseable under Rule 13.23, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09, which is or may be of a price-sensitive nature.

The above statement is made by the order of the Board, the Directors of which individually and jointly accept responsibility for the accuracy of the above statement.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 29 July 2009 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 30 July 2009.

EPI (Holdings) Limited
Wong Chi Wing, Joseph
Chairman

Hong Kong, 29 July 2009

As at the date of this announcement, the board of directors of the Company comprises of three executive Directors, namely, Mr. Wong Chi Wing, Joseph, Mr. Cheng Hairong and Mr. Chu Kwok Chi, Robert, one non-executive Director, namely Mr. Leung Hon Chuen and three independent non-executive Directors, namely Mr. Qian Zhi Hui, Mr. Xu Mingshe and Mr. Poon Kwok Shin, Edmond.

** For identification purpose only*