

Enric's production line of seamless pressure cylinder doubles its capacity

The world's most advanced seamless pressure cylinder production plant

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(Hong Kong, 13 February 2007) - Enric Energy Equipment Holdings Limited ("Enric" or the "Group") (Stock code: 3899), a leading integrated business solutions provider and specialised gas equipment manufacturer in the gas energy industry in the PRC, is pleased to announce its production line of seamless pressure cylinder located in Shijiazhuang, Hebei province has run into operation in January. It is the most advanced production line of seamless pressure cylinder of the largest production capacity in the world.

The new production line is Enric's second production line of seamless pressure cylinder in Shijiazhuang which costs RMB60,000,000. Not only can seamless pressure cylinders carry natural gas, but also coal bed methane and other gases such as nitrogen and hydrogen etc. The annual production capacity of seamless pressure cylinder has been increased by more than 2.6 times from 3,000 units to 8,000 units since the new production line has been put into operation. It is also equipped with advanced technology and automatic equipment which can further enhance production efficiency and reduce production cost. This serves to satisfy the fast growing demand of the PRC and international market, and greatly sharpen the Group's competitiveness.

The new production plant is located in Enric's industrial park in Shijiazhuang, Hebei province. It covers 20,000 square meters and is equipped with various kinds of advanced production facilities, including thermal spinning neck forging equipment, advanced quenching and tempering equipment, magnetic powder external layer flaw detector and internal shot-blasting system. There is also an advanced and automatic production and management system and a sophisticated operating system - a symbol of modern management and innovativeness. The products have fulfilled both the PRC and international manufacturing standards. Up to now, Enric has obtained a certificate from the American Society of Mechanical Engineers (ASME), ISO9001 and ISO14001 certificates, the 3C product quality recognition by the PRC government, the KGS manufacturing licence by the Korean government as well as the DOT certification from the United States. Enric's products have been exported to South America, Korea and South-east Asia and are preparing to enter the US. Enric is now one of the best-qualified enterprises in the pressure cylinder industry in the PRC.

Mr. Jin Yongsheng, Chief Executive Officer of Enric, remarked, "I am pleased to see the second production line of seamless pressure cylinder been put into operation. We are proud of the rapid

growth of the Group's pressure cylinder business within such a short period of time. While the international crude oil price is staying high, the local governments are actively encouraging the utilization of clean energy. For example, Enric's overall turnover in 2005 doubled to RMB513,000,000 over 2004. It is expected that a steady growth in turnover will be maintained in 2006 and the pressure cylinder business will continue to be the Group's growth driver. With the commencement of operation of the new production line, we will make best use of the existing technology and further reduce cost with economic of scales. At the same time, we will continue to explore overseas markets and grasping every opportunity to strengthen our leading position."

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Enric Energy Equipment Holdings Limited

Enric is an integrated business solutions provider in the gas energy industry and one of the leading specialised gas equipment manufacturers in the People's Republic of China (the "PRC"). The Group designs, manufactures and sells specialised gas equipment including seamless pressure cylinders, compressed natural gas ("CNG") trailers, natural gas refueling station system, liquefied natural gas ("LNG") storage tanks, LNG trailers and gas compressors. The Group also offers integrated business solutions, a beyond-the-equipment package of one-stop services from the design and manufacture of gas equipment system and on-site installation to staff training and after-sales services. Products of the Group are essential for the transportation, storage and distribution of natural gas.

The sales and marketing network of the Group is primarily based in the PRC. Specialised gas equipment for the storage, transportation, distribution, compression and pressure-regulating of natural gas is of keen demand across the gas sector from city gas operators and gas refueling station operators to natural gas logistic companies and natural gas infrastructure contractors - forming a diversified customer base for the Group. Some of our renowned customers include PetroChina Company Limited and China Petroleum & Chemical Corporation, Shengli Oil Field, Liaohe Oil Field, Xinao Gas Holdings Limited and The Hong Kong and China Gas Company Limited. In addition, the Group has customers from industrial and chemical sectors which require the Group's equipment for production.

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