

IPCO INTERNATIONAL LIMITED

(Company Registration Number 199202747M)

CHANGE IN SHAREHOLDING STRUCTURE OF GUANG SHUI ZHONG HUAN GAS DEVELOPMENT CO., LTD

The Board of Directors of Ipco International Limited (the "**Company**") wishes to refer to the announcement dated 8 March 2010 in respect of the establishment of a subsidiary in the People's Republic of China ("**PRC**"), namely Guang Shui Zhong Huan Gas Development Co., Ltd. ("**Guang Shui Zhong Huan Gas**") by China Environmental Energy Protection Investment Ltd ("**China Environmental**"), the wholly-owned subsidiary of its wholly-owned subsidiary Excellent Empire Ltd ("**Excellent Empire**"). Guang Shui Zhong Huan Gas has a registered share capital of RMB32,100,000.

Initially the Sui Zhou City Industry and Commerce Administration Bureau had awarded Guang Shui Zhong Huan Gas a 30-year exclusive licence to supply natural gas to Guang Shui city. Subsequently, however, Guang Shui Zhong Huan Gas has been advised by the Province of Hubei Development and Reform Commission that Guang Shui Zhong Huan Gas must invite a local partner to hold equity to be in compliance with the Foreign Investment Manual of 2007. Accordingly, China Environmental will sell a 20% equity interest in Guang Shui Zhong Huan Gas to Guangzhou City Qiu Sheng Energy Investment Co., Ltd ("**Guangzhou City Qiu Sheng**").

Guangzhou City Qiu Sheng was established in Guang Dong Province, PRC on 27 April 2004 with a registered capital of RMB15,000,000 and has a Business Operation License expiring on 27 October 2054. Its legal representative is Mr. Huang Ying Jian.

Guangzhou City Qiu Sheng will invest RMB6,420,000 (equivalent to S\$1,288,000) for a 20% shareholding in Guang Shui Zhong Huan Gas.

The change of shareholding structure will not have a material impact on the earnings per share or net tangible assets of the Group for the current financial year.

None of the substantial shareholders and/or directors of the Company has any interest, direct or indirect, in Excellent Empire, China Environmental, Guang Shui Zhong Huan Gas or Guangzhou City Qiu Sheng.

By Order of the Board

Carlson Clark Smith

Executive Director and Chief Financial Officer

13 August 2010