



**OUHUA ENERGY HOLDINGS LIMITED**  
(Incorporated in Bermuda with Registration Number 37791)

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**UPDATE AND CHANGE IN USE OF IPO PROCEEDS**

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The Board of Directors of Ouhua Energy Holdings Limited (“**the Company**”) wishes to provide an update on the use of the proceeds from the Company’s initial public offering as follows:

**As at 19 August 2009**

<b>Use of IPO proceeds</b>	<b>Amount allocated \$'000</b>	<b>Amount utilised \$'000</b>	<b>Balance \$'000</b>
To expand sales network in Guangdong, Jiangxi, Hainan, Zhejiang and Fujian Provinces	8,000	1,500	6,500
To enhance our production facility and production process	4,000	4,000	-
General working capital	18,500	18,500	-
	<u>30,500</u>	<u>24,000</u>	<u>6,500</u>

In view of the current difficult economic conditions, the Company presently has no intention to expand sales network in Guangdong, Jiangxi, Hainan, Zhejiang and Fujian Provinces. As such, the Directors have decided to use the balance amount of the IPO proceeds of S\$6,500,000 as working capital.

By Order of the Board  
Liang Guo Zhan  
Executive Chairman  
19 August 2009