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## **KARL THOMSON HOLDINGS LIMITED**

**高信集團控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 7)

### **ANNOUNCEMENT MADE PURSUANT TO RULE 13.09 OF THE LISTING RULES AND DRILLING PROGRESS OF BLOCK 2 WEEM IN EGYPT**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Company is pleased to announce that an exploratory well known as South Malak-1 in Block 2, West Esh El Mallaha, in the Arab Republic of Egypt, has reached a Total depth of 11,200' (10,833' subsea).

The well encountered very encouraging oil and gas shows all the way from Eocene which is approximately at 9,891feet subsea to total depth which is 10,833 subsea. Wireline logs (a testing method) were run, which confirmed the hydrocarbon shows. Subject to further testing, the Company will then consider whether or not to drill further down as our technical team in Cairo suspects there may exist other pay zones beneath current depth.

Trading in the Shares was suspended from 10:00 a.m. on 27 October 2009 pending the release of this announcement. Trading in the Shares shall continue to be suspended pending the signing of the subscription agreements.

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The hydrocarbon shows encountered, together with log analysis, support a testing programme in four potential zones. The well will be cased to 11,030 feet leaving the bottom 170 feet uncased in order to conduct an open hole test of possible fractured Granite Wash and Basalt. The remaining proposed

tests will be conducted over the cased portion of the well.

It is expected the casing and cementing program will be completed in 7 to 8 days after which the testing program will take place. Testing program is expected to be completed in November.

The Company's participating interest in Block 2 is 40%.

Further announcement will be made by the Company as and when required in accordance with the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules").

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Made by the order of the board of the Company, the Directors of which individually and jointly accept responsibility for the accuracy of this announcement.

List of all Directors of the Company as of the date of this announcement:

*Executive Directors:*

Mr. Lam Kwok Hing (Chairman)  
Mr. Nam Kwok Lun (Deputy Chairman and Managing Director)

*Independent Non-Executive Directors:*

Mr. Ng Chi Kin, David  
Mr. Chen Wei-ming, Eric  
Mr. Kwan Wang Wai, Alan

On behalf of the Board

**Nam Kwok Lun**

Deputy Chairman and Managing Director

Hong Kong, 27 October 2009

*\* For identification purpose only*