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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 DELAY IN DESPATCH OF CIRCULAR IN RELATION TO VERY SUBSTANTIAL ACQUISITION

The Company announces that as additional time is required to prepare all the information to be incorporated in the Circular, including but not limited to, the technical report required under Rule 18.09 of the Listing Rules and the accountants' report on Volant, the Company has applied to the Stock Exchange for a waiver from strict compliance with the requirement under Rule 14.38 of the Listing Rules and an extension of time for despatch of the Circular to the Shareholders on or before 5 March 2007.

Reference is made to the announcement of the Company dated 10 November 2006 (the "Announcement") in relation to a very substantial acquisition of all of Volant Petroleum Limited's ("Volant") shares (the "VSA"). Unless otherwise defined, capitalised terms used herein shall have the same meanings as ascribed to them in the Announcement.

Pursuant to Rule 14.38 of the Listing Rules, the Company is required to, within 21 days after publication of the Announcement, that is, on or before 5 December 2006, despatch to Shareholders a circular (the "Circular") in relation to the VSA. However, the Company requires more time to prepare all the information to be incorporated in the Circular, including but not limited to, the technical report required under Rule 18.09 of the Listing Rules and the accountants' report on Volant and the proforma information on the enlarged Group in relation to the VSA. The Company has been advised by the technical expert, Risc Pty Ltd and the accountants, Deloitte (Hong Kong), that the relevant technical report and accountants' report would be ready in approximately 2 months and that the delay is due to the fact that the technical expert would need to perform a satisfactory review of all the necessary technical data and information pursuant to site visits to Cairo and USA and also because a review of Volant's financial information needs to be conducted in Australia by the accountants. The Directors consider the despatch of the circular on 5 March 2007 to be fair and reasonable, after taking into consideration the present available relevant information. Thus, the Company has applied to the Stock Exchange for a waiver from strict compliance with the requirement under Rule 14.38 of the Listing Rules and an extension of time for despatch of the Circular to the Shareholders on or before 5 March 2007.

By order of the Board  
Karl Thomson Holdings Limited  
Lam Kwok Hing  
Chairman

Hong Kong, 5 December 2006

\* For identification purposes only.

As at the date of this announcement, the executive Directors are Mr. Lam Kwok Hing and Mr. Nam Kwok Lun, and the independent non-executive Directors are Mr. Chen Wei-ming, Eric, Mr. Kwan Wang Wai, Alan and Mr. Ng Chi Kin, David.