

# Longwei Petroleum Investment Holding Limited

1



Confidential

December 1, 2009

# Forward Looking Statements

2

Statements contained in this presentation may be considered “forward-looking statements” within the meaning of U.S. federal securities laws. The matters discussed herein are based on current management expectations that involve risks and uncertainties that may result in such expectations not being realized. Actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements due to numerous potential risks and uncertainties including such risks and factors described in presentation prepared by Longwei Petroleum Investment Holding Ltd. (“Longwei” or the “Company”) management. Such forward-looking statements speak only as of the date on which they are made and Longwei does not undertake any obligation to update any forward-looking statements to reflect events or circumstances after the date of the presentation.

# Executive Summary

3

- Longwei Petroleum Investment Holding Limited, a Colorado corporation, is one of the leading distributors/wholesalers of diesel, gasoline, kerosene and fuel oils in Taiyuan City, the capital of and largest city in Shanxi Province, Peoples Republic of China (PRC).
- The Company’s operating subsidiary, Taiyuan Longwei, was founded in the PRC in 1995 and is fully licensed to operate as a finish oil wholesaler in the PRC.
- Longwei purchases diesel, gasoline, fuel oils and kerosene from oil refineries and other Chinese suppliers with whom the Company has had long lasting business relations.
- The Company’s customer list includes a diversified grouping of primary fuel users.



| Diesel, Gasoline, Kerosene and Fuel Oils Customers                       | Approx. Percent of FY 2009 Revenues |
|--|-------------------------------------|
| Coal plants and other power supply customers                             | 45%                                 |
| “Large-scale” gas stations located in Taiyuan City, Shanxi Province      | 45%                                 |
| Small, independent gas stations located in Taiyuan City, Shanxi Province | 5%                                  |

# Executive Summary (cont.)

4

- Longwei currently owns and operates an ISO9000 certified state-of-the-art fuel storage facility and 14 storage tanks with a total capacity of 50,000 metric tons (mt) at Taiyuan City. In addition, the Company also owns a second fuel storage facility that has a total of 8 storage tanks with a total capacity of 70,000 mt in Gujiao. The Gujiao facility will be fully operational in January 2010.
- Longwei Petroleum Investment Holding Limited was incorporated under the laws of the State of Colorado in 2000 and conducted no business operations until October 16, 2007, when it acquired the business of Longwei in a “reverse merger” transaction.
- The Company has 65 employees, including three management personnel.



Longwei Front Gate



Storage Units

# Investment Highlights

5

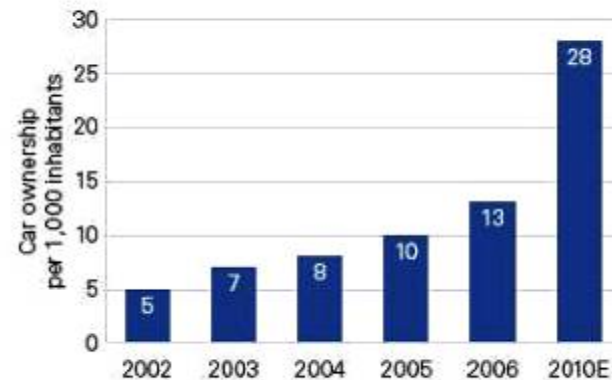
- **Longwei is well positioned to benefit from strong projected growth in demand for refined petroleum products in the PRC**

Per capita consumption of diesel, gasoline and other refined petroleum products is expected to continue to grow strongly throughout the PRC, including Taiyuan City, Shanxi Province, due to a number of factors, including increased demand for power supply and significant projected increases in per capital motor vehicle ownership and continued strong economic growth.

Per capita car ownership in the PRC is projected to increase from 13 cars per 1,000 people in 2006 to an estimated 28 cars per 1,000 people in 2010.

The China Association of Automobile Manufacturers (CAAM) announced that automobile sales in China of domestically manufactured automobiles totaled 1.09 million in July 2009, an increase of almost 64% compared to the same period last year. CAAM also stated that it was the fifth month in a row that auto sales exceeded one million units.

**China's ratio of car ownership per 1,000 people**



Source: AutoInfo.gov.cn, Haitong Securities

# Investment Highlights

6

- **Longwei has a strong competitive position in Shanxi Province**

In 1995, Longwei was granted a Finish Oil Wholesale license by the PRC which allows the Company to purchase refined petroleum products directly from refineries in China. In addition, Longwei has a license for Dangerous Chemical Products Business which allows the Company to transport gasoline and diesel oil products. The Company believes that such licenses are difficult to obtain and limit new entrants into its business.

The Company's ownership of its own storage facilities with 50,000 mt of total capacity and an additional 70,000 mt of capacity that will be available in January 2010, provides it with a significant competitive advantage. Longwei has the largest storage capacity of any non-government operated fuel wholesaler in Shanxi Province.

In Taiyuan City, Longwei is 1 of 3 non-government operated fuel wholesalers that has the necessary licenses to operate and also owns significant storage capacity.

In Gujiao, Longwei is the only non-government operated fuel wholesaler that has the necessary licenses to operate and also owns significant storage capacity.

# Investment Highlights

7

- **Strong historical revenue growth**

| <b>Compounded Annual Growth</b> | <b>Fiscal Year<br/>'05-'09</b> | <b>Fiscal Year<br/>'08-'09</b> |
|---------------------------------|--------------------------------|--------------------------------|
| Petroleum Product Sales Volume  | 43.7%                          | 33.4%                          |
| Petroleum Products Revenue      | 46.4%                          | 39.5%                          |
| Total Revenues                  | 48.1%                          | 36.9%                          |

Sales growth attributed to:

- strong economic growth in Shanxi Province
- increased demand for diesel and gasoline
- increased prices for diesel, gasoline, fuel oils and kerosene

# Investment Highlights

## ▪ Strong profit margins

| <i>Fiscal Year Ended June 30</i>                       |                          |                          |                          |                          |                          |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>Summary Operating Results</b><br>(US\$ in Millions) | <b>2005</b><br>(audited) | <b>2006</b><br>(audited) | <b>2007</b><br>(audited) | <b>2008</b><br>(audited) | <b>2009</b><br>(audited) |
| <b>Total Revenues</b>                                  | <b>\$40.9</b>            | <b>\$93.1</b>            | <b>\$93.8</b>            | <b>\$143.8</b>           | <b>\$196.8</b>           |
| <i>Percent Change</i>                                  | <i>na</i>                | <i>127.6%</i>            | <i>0.8%</i>              | <i>53.3%</i>             | <i>36.9%</i>             |
| <b>Gross Profit</b>                                    | <b>\$12.7</b>            | <b>\$22.3</b>            | <b>\$18.2</b>            | <b>\$37.0</b>            | <b>\$39.5</b>            |
| <i>Profit Margin</i>                                   | <i>31.1%</i>             | <i>24.0%</i>             | <i>19.4%</i>             | <i>25.7%</i>             | <i>20.1%</i>             |
| <b>EBITDA</b>  | <b>\$12.6</b>            | <b>\$22.2</b>            | <b>\$18.1</b>            | <b>\$30.7</b>            | <b>\$32.2</b>            |
| <i>EBITDA Margin</i>                                   | <i>30.8%</i>             | <i>23.8%</i>             | <i>19.3%</i>             | <i>21.3%</i>             | <i>16.4%</i>             |
| <b>Operating Profit</b>                                | <b>\$12.3</b>            | <b>\$21.8</b>            | <b>\$17.7</b>            | <b>\$31.2</b>            | <b>\$31.8</b>            |
| <i>Operating Profit Margin</i>                         | <i>30.1%</i>             | <i>23.4%</i>             | <i>18.9%</i>             | <i>21.7%</i>             | <i>16.2%</i>             |
| <b>Net Income</b>                                      | <b>\$8.3</b>             | <b>\$14.7</b>            | <b>\$12.0</b>            | <b>\$20.7</b>            | <b>\$21.8</b>            |
| <i>Net Income Margin</i>                               | <i>20.3%</i>             | <i>15.8%</i>             | <i>12.8%</i>             | <i>14.4%</i>             | <i>11.1%</i>             |
| <b>Earnings per Share</b>                              | <b>\$0.12</b>            | <b>\$0.21</b>            | <b>\$0.17</b>            | <b>\$0.28</b>            | <b>\$0.28</b>            |

- Net income increased in FY 2008 due to (1) an increase in gross profit due to an increase in total revenues (due to a strong increase in demand for fuel products) and increases in gross margins on both a per gallon and percentage basis (primarily due to decreases in costs of good sold), which were offset by (2) an increase in operating expenses due to an increase in repair and maintenance expenses, professional fees, and salaries.
- Net income decreased in FY 2007 due to (1) a decrease in total revenues, primarily as a result of (i) a decrease in diesel revenues due to decreased sales at certain customer gas stations located on major truck routes that were disrupted in FY 2007 due to construction, and (ii) a decrease in agency fees, and (2) a decrease in gross profit, primarily due to (i) a decrease in diesel and gasoline margins on both a per gallon and percentage basis as a result of increases in costs of sales, and (ii) a decrease in agency gross margins.



# Investment Highlights

9

Artistic drawing of proposed new plant and storage tank facility in Gujiao City, Shanxi Province



# Investment Highlights

10

- Strong projected growth in revenues and profitability as the construction of the new storage tanks in Gujiao City is expected to approximately double the Company's storage capacity and revenues beginning in FY 2010.

| <b>Summary Operating Results</b><br>(US\$ in Millions) | <b>2007</b><br>(audited) | <b>2008</b><br>(audited) | <b>2009</b><br>(audited) | <b>Q1 10</b><br>(reviewed) | <b>2010</b><br>(projected) | <b>2011</b><br>(projected) |
|--|--------------------------|--------------------------|--------------------------|----------------------------|----------------------------|----------------------------|
| <b>Total Revenues</b>                                  | \$93.8                   | \$143.8                  | \$196.8                  | \$59.4                     | \$258.5                    | \$449.3                    |
| <i>Percent Change</i>                                  | 0.8%                     | 53.3%                    | 36.9%                    | 33.5%                      | 31.4%                      | 128.3%                     |
| <b>Gross Profit</b>                                    | \$18.2                   | \$37.0                   | \$39.5                   | \$11.6                     | \$49.5                     | \$104.5                    |
| <i>Profit Margin</i>                                   | 19.4%                    | 25.7%                    | 20.1%                    | 19.5%                      | 19.1%                      | 23.3%                      |
| <b>EBITDA</b>  | \$18.1                   | \$30.7                   | \$32.2                   | \$10.8                     | \$47.4                     | \$102.0                    |
| <i>EBITDA Margin</i>                                   | 19.3%                    | 21.3%                    | 16.4%                    | 18.1%                      | 18.3%                      | 22.7%                      |
| <b>Operating Profit</b>                                | \$17.7                   | \$31.2                   | \$31.8                   | \$11.1                     | \$46.0                     | \$100.6                    |
| <i>Operating Profit Margin</i>                         | 18.9%                    | 21.7%                    | 16.2%                    | 18.7%                      | 17.8%                      | 22.4%                      |
| <b>Net Income</b>                                      | \$12.0                   | \$20.7                   | \$21.8                   | \$7.2                      | \$31.0                     | \$75.6                     |
| <i>Net Income Margin</i>                               | 12.8%                    | 14.4%                    | 11.1%                    | 12.1%                      | 12.0%                      | 16.8%                      |
| <b>Earnings per Share</b>                              | \$0.17                   | \$0.28                   | \$0.28                   | \$0.09                     | \$0.38                     | \$0.80                     |

Notes:

(a) Assumes the new storage tanks to be constructed in Gujiao City, Shanxi province are placed in service as of January 1, 2010.

# Investment Highlights

- **Strong Balance Sheet**

| <b>Summary Balance Sheet</b>  |                               |                          |  |                              |                          |
|-------------------------------|-------------------------------|--------------------------|--|------------------------------|--------------------------|
| (US\$ in Millions)            |                               |                          |  |                              |                          |
|                               | <b>September 30,<br/>2009</b> | <b>June 30,<br/>2009</b> |  | <b>September 30<br/>2009</b> | <b>June 30,<br/>2009</b> |
| <b><u>Assets</u></b>          | <b>(reviewed)</b>             | <b>(audited)</b>         | <b><u>Liabilities and<br/>Stockholders' Equity</u></b> | <b>(reviewed)</b>            | <b>(audited)</b>         |
| Cash & Equivalents            | \$ 9.4                        | \$ 7.3                   | Accounts Payable                                       | \$ 1.6                       | \$ 2.3                   |
| Accounts Receivable           | 27.4                          | 26.8                     | Convertible Notes Payable, net                         | 0.3                          | 0.8                      |
| Inventories                   | 14.2                          | 14.0                     | Derivative Liability                                   | 2.3                          | -                        |
| Advance to Suppliers, Deposit | 34.2                          | 35.3                     | Taxes Payable  | 3.7                          | 2.1                      |
| <b>Total Current Assets</b>   | <b>85.2</b>                   | <b>83.4</b>              | <b>Total Current Liabilities</b>                       | <b>\$ 7.9</b>                | <b>\$ 5.2</b>            |
| Land & Buildings              | 44.2                          | 36.6                     | <b><u>Stockholders' Equity</u></b>                     |                              |                          |
| Machinery & Equipment         | 4.5                           | 4.4                      | Common Stock, APIC, Other Comp                         | \$ 21.4                      | \$ 24.4                  |
| Accumulated Depreciation      | (4.4)                         | (4.3)                    | Retained Earnings                                      | 100.2                        | 90.5                     |
| <b>Total PP&amp;E</b>         | <b>44.3</b>                   | <b>36.7</b>              | <b>Stockholders' Equity</b>                            | <b>\$ 121.6</b>              | <b>\$ 114.9</b>          |
| <b>Total Assets</b>           | <b>\$ 129.5</b>               | <b>\$ 120.1</b>          | <b>Total Liabilities and<br/>Stockholders' Equity</b>  | <b>\$ 129.5</b>              | <b>\$ 120.1</b>          |
| <b>Working Capital</b>        | <b>\$ 77.3</b>                | <b>\$ 78.2</b>           |  |                              |                          |

# Investment Highlights

12

- **Business Strategy**
  - Key components of the Company's business strategy include:
    - Pursue internal growth by attracting new customers through competitive pricing, timely delivery, and the highest quality products, and
    - Pursue internal growth by expanding the Company's product storage capacity, and
    - Expand geographically.

# Investment Highlights

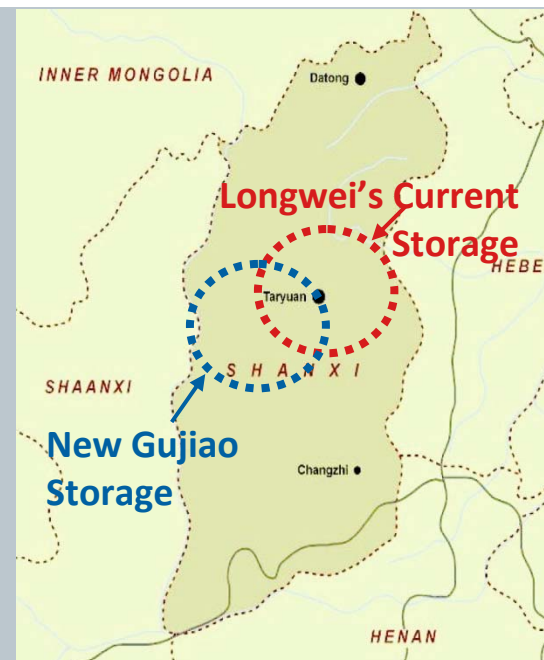
13

## ■ Geographic Expansion

- Longwei expanded its finish oil distribution / wholesale business into the nearby city of Gujiao City, which is located in Shanxi Province approximately 50 km from Taiyuan City and is considered to be a key industrial center in China for energy production.

- In January of 2009, Longwei purchased and is refurbishing fuel oil storage tanks with a capacity of 70,000 mt in Gujiao City:

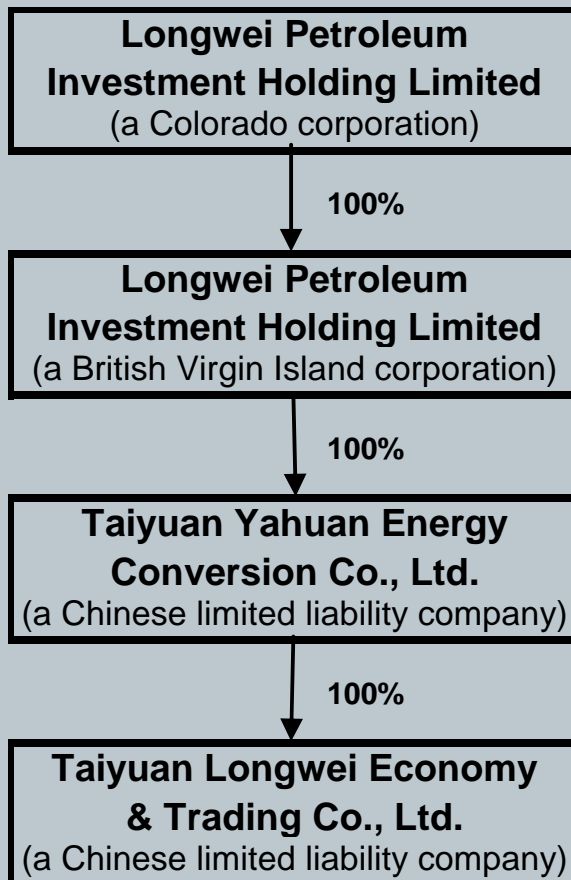
- Company purchased the tanks for \$24 MM
- Additional cost of refurbishing – approximately \$10 MM
- New tanks assumed to come online January 2010



- Longwei believes that there is significant demand in Gujiao City for finish oil distribution / wholesale services and that it will be able to achieve a significant share of this new market after its fuel oil storage tanks are built.

- The construction of the new 70,000 mt storage tanks will significantly increase Longwei's finish oil storage capacity and projected revenues beginning in FY 2010.

# Corporate Structure



- July 1995 - Taiyuan Longwei founded July 1995.
- March 2000 - Longwei Petroleum Investment Holding Limited (“Longwei Petroleum”) incorporated in Colorado under the name Tabatha II, Inc.
- April 2006 - Longwei Petroleum Investment Holding Limited (“Longwei Petroleum BVI”) incorporated in the British Virgin Islands and acquires 100% of Taiyuan Yahuan Energy Conversion Co., Ltd. and its subsidiary.
- October 2007 – Longwei Petroleum, a Colorado corporation (formerly known as Tabatha II, Inc.) acquires 100% of Longwei Petroleum BVI in a “reverse merger” transaction. The shareholders of Longwei Petroleum BVI received 69 million shares of common stock in Longwei Petroleum, a Colorado corporation, representing 92% of the Company’s outstanding share capitalization.



# Facilities

15

- Longwei currently owns an ISO9001: 2000 certified fuel & petroleum product storage facilities with 14 storage tanks with a total capacity of 50,000 mt.
- Longwei has specially designated railroad and stacking bays for its supply and sale transportations.
- In January of 2009, Longwei purchased and is refurbishing fuel oil storage tanks with a capacity of 70,000 mt in Gujiao City. The Gujiao facility will be operational on January 1, 2010.



Storage Units



Stacking Bays

# Product Lines

- Longwei distributes petroleum products to wholesalers as well as to retail and commercial customers in Shanxi Province. Sales by product line in fiscal 2009 are summarized below:

| Total Revenues by Products                    | FY 2009            |               |
|---|--------------------|---------------|
|   | USD                | % of Total    |
| Diesel  | 92,704,128         | 47.1%         |
| Gasoline                                      | 80,420,802         | 40.9%         |
| Fuel Oil                                      | 5,987,555          | 3.04%         |
| Kerosene                                      | 6,078,861          | 3.09%         |
| <b>Subtotal - Petroleum Products Revenues</b> | <b>185,191,347</b> | <b>94.1%</b>  |
| Agency fee                                    | 11,619,715         | 5.9%          |
| <b>Total Revenues</b>                         | <b>196,811,062</b> | <b>100.0%</b> |

- Agency fees are earned for purchasing petroleum products from refineries on behalf of wholesalers who lack the necessary licenses to make such purchases directly themselves.



Longwei Gasoline Station



Railroad Station



# Longwei Suppliers

- Longwei purchases diesel, gasoline, fuel oil and kerosene directly from oil refiners and other suppliers with whom the Company believes it has excellent relations.
- Since inception, Longwei has not experienced any difficulty in obtaining finished goods or raw materials essential to its business.

| Suppliers Representing More Than 10% of Longwei's FY 2009 Purchasing Volume | Fiscal Year Ending June 30, |              |              |
|---|-----------------------------|--------------|--------------|
|   | 2009                        | 2008         | 2007         |
| Panjin Jinjiang Oil Chemical Co. Ltd.                                       | 16%                         | 22.0%        | 7.0%         |
| Tuha Oil Exploring and Exploiting Headquarters                              | 0%                          | 13.0%        | 20.0%        |
| Tianjin Dagang Jingyu Industry Co. Ltd.                                     | 11%                         | 13.0%        | 9.0%         |
| Lanxing   | 17%                         | 0.0%         | 0.0%         |
| Guangzhou Tenghao   | 11%                         | 0.0%         | 0.0%         |
| Yanlian Industry Group Selling Division                                     | 19%                         | 11.0%        | 26.0%        |
|   | <u>74.0%</u>                | <u>59.0%</u> | <u>62.0%</u> |

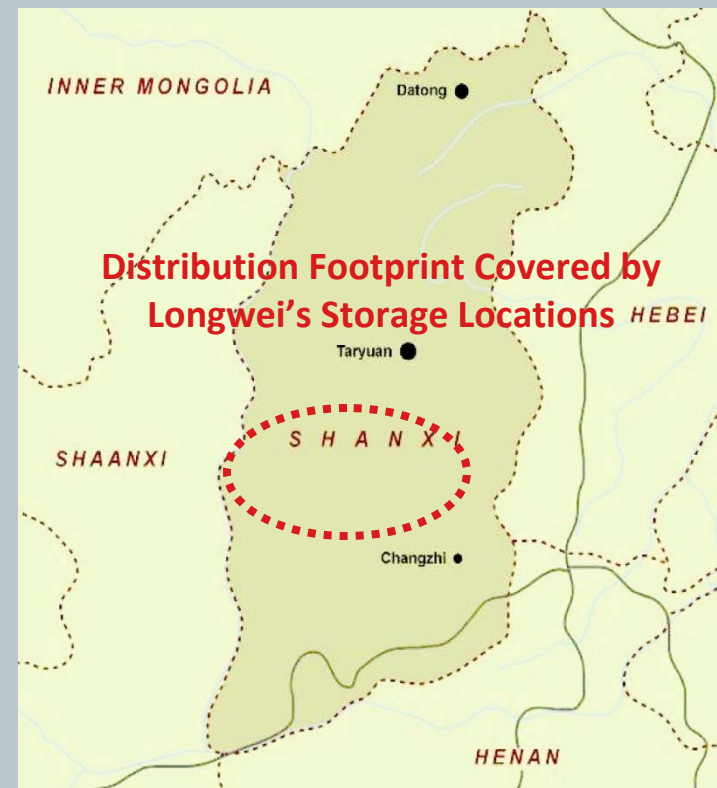
# Sales and Marketing

18

**Direct Marketing :** Longwei employs its own sales and marketing staff to directly establish the distribution and sales networks with its customers. Its sales representatives regularly visit gas stations and fuel oil consumption intensive enterprises within its distribution footprint.

**Referrals:** Referrals from existing customers continue to be a strong source of new customers.

**Major New Customers:** In November 2009, Longwei entered into contracts with 6 new significant customers who Longwei will service through the Gujiao facility. Longwei has identified an additional 5 significant customers that Longwei will aggressively seek business with and is hopeful to sign these customers to contracts for the 2010 calendar year.



# Government Licensing

- Longwei has been granted a Level 1 Finish Oil Wholesale license by the PRC which allows the Company to engage in the wholesale/distribution business of gasoline, fuel oil and diesel oil.
- Longwei is one of 17 non-government operated entities in Shanxi Province that has a Finish Oil Wholesale license of which only 5 of the private entities, including the Company, have their own storage capability.
- The Company believes that it is difficult for other potential competitors to obtain Finish Oil Wholesale licenses, thereby acting as a barrier to entry for potential competitors seeking to enter the Shanxi Province market.

# Management

## Cai Yongjun - Chairman and Chief Executive Officer

- CEO of Taiyuan Longwei since its founding in 1995
- Has over 12 years experience in the trading, storage and handling of petroleum products
- Attended Shanxi University where he majored in business administration

## Xue Yongping – Secretary and Treasurer

- Secretary and Treasurer of Taiyuan Longwei since November 1998
- Previously served as Deputy General Manager of Taiyuan Hua Xin Trading Company, a fuel oil distributor/wholesaler
- Received law degree from Shanxi Law School

## James Crane – Chief Financial Officer

- Named Chief Financial Officer on June 30, 2009
- Certified Public Accountant
- Trained at a Big Four accounting firm in the US
- Has served as Chief Financial Officer of a variety of publicly-traded companies, including companies operating exclusively in the People's Republic of China

# Summary Financial Information

21

| Fiscal Year Ended June 30                       |                   |                   |                   |                   |                   |                     |                     |                     |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|---------------------|
| Summary Operating Results<br>(US\$ in Millions) | 2005<br>(audited) | 2006<br>(audited) | 2007<br>(audited) | 2008<br>(audited) | 2009<br>(audited) | Q1 10<br>(reviewed) | 2010<br>(projected) | 2011<br>(projected) |
| Total Revenues                                  | \$40.9            | \$93.1            | \$93.8            | \$143.8           | \$196.8           | \$59.4              | \$258.5             | \$449.3             |
| Percent Change                                  | na                | 127.6%            | 0.8%              | 53.3%             | 36.9%             | 33.5%               | 31.4%               | 128.3%              |
| Gross Profit                                    | \$12.7            | \$22.3            | \$18.2            | \$37.0            | \$39.5            | \$11.6              | \$49.5              | \$104.5             |
| Profit Margin                                   | 31.1%             | 24.0%             | 19.4%             | 25.7%             | 20.1%             | 19.5%               | 19.1%               | 23.3%               |
| EBITDA  | \$12.6            | \$22.2            | \$18.1            | \$30.7            | \$32.2            | \$10.8              | \$47.4              | \$102.0             |
| EBITDA Margin                                   | 30.8%             | 23.8%             | 19.3%             | 21.3%             | 16.4%             | 18.1%               | 18.3%               | 22.7%               |
| Operating Profit                                | \$12.3            | \$21.8            | \$17.7            | \$31.2            | \$31.8            | \$11.1              | \$46.0              | \$100.6             |
| Operating Profit Margin                         | 30.1%             | 23.4%             | 18.9%             | 21.7%             | 16.2%             | 18.7%               | 17.8%               | 22.4%               |
| Net Income                                      | \$8.3             | \$14.7            | \$12.0            | \$20.7            | \$21.8            | \$7.2               | \$31.0              | \$75.6              |
| Net Income Margin                               | 20.3%             | 15.8%             | 12.8%             | 14.4%             | 11.1%             | 12.1%               | 12.0%               | 16.8%               |
| Earnings per Share                              | \$0.12            | \$0.21            | \$0.17            | \$0.28            | \$0.28            | \$0.09              | \$0.38              | \$0.80              |

Notes:

(a) Assumes the new storage tanks to be constructed in Gujiao City, Shanxi province are placed in service as of January 1, 2010.

| Summary Balance Sheet<br>(US\$ in Millions) |                    |                 |   |                    |                 |
|---|--------------------|-----------------|---|--------------------|-----------------|
| Assets                                      | September 30, 2009 |                 | Liabilities and<br>Stockholders' Equity               | September 30, 2009 |                 |
|   | (reviewed)         | (audited)       |   | (reviewed)         | (audited)       |
| Cash & Equivalents                          | \$ 9.4             | \$ 7.3          | Accounts Payable                                      | \$ 1.6             | \$ 2.3          |
| Accounts Receivable                         | 27.4               | 26.8            | Convertible Notes Payable, net                        | 0.3                | 0.8             |
| Inventories                                 | 14.2               | 14.0            | Derivative Liability                                  | 2.3                | -               |
| Advance to Suppliers, Deposit               | 34.2               | 35.3            | Taxes Payable   | 3.7                | 2.1             |
| Total Current Assets                        | 85.2               | 83.4            | Total Current Liabilities                             | \$ 7.9             | \$ 5.2          |
| Land & Buildings                            | 44.2               | 36.6            | <b>Stockholders' Equity</b>                           |                    |                 |
| Machinery & Equipment                       | 4.5                | 4.4             | Common Stock, APIC, Other Comp                        | \$ 21.4            | \$ 24.4         |
| Accumulated Depreciation                    | (4.4)              | (4.3)           | Retained Earnings                                     | 100.2              | 90.5            |
| Total PP&E                                  | 44.3               | 36.7            | <b>Stockholders' Equity</b>                           | <b>\$ 121.6</b>    | <b>\$ 114.9</b> |
| <b>Total Assets</b>                         | <b>\$ 129.5</b>    | <b>\$ 120.1</b> | <b>Total Liabilities and<br/>Stockholders' Equity</b> | <b>\$ 129.5</b>    | <b>\$ 120.1</b> |
| <b>Working Capital</b>                      | <b>\$ 77.3</b>     | <b>\$ 78.2</b>  |   |                    |                 |

Summary of Fully Diluted Shares Outstanding (MM)

|  |              |
|--|--------------|
| Current Common Shares Outstanding                                      | 84.8 (a)     |
| Common Shares Issuable Upon<br>Conversion of Convertible Notes Payable | - (b)        |
| Warrants Outstanding   | 15.5 (b)     |
| <b>Fully Diluted Shares Outstanding (MM)</b>                           | <b>100.3</b> |

(a) As of December 1, 2009

(b) In December 2007, the Company issued a \$2.1 million 8% convertible note with a conversion price of \$.70. As of December 1, 2009, the debt had been fully converted. The convertible note holders also continue to hold 643,000 warrants with an exercise price of \$.70 that expire in 2012 and 2014, respectively. Additionally, in October 2009, a total of 13.5 million shares of Series A preferred stock were issued, which are convertible into common stock on a 1 for 1 basis and stock warrants convertible into 14.8 million shares of common stock were issued.

Summary Common Stock Ownership

As of December 1, 2009

|                                | Primary<br>Shares<br>(MM) | Fully<br>Diluted<br>Shares<br>(MM) |
|--------------------------------|---------------------------|------------------------------------|
| Cai Yongjun, CEO               | 34.5                      | 34.5                               |
| Xue Yongping, Treasurer        | 34.5                      | 34.5                               |
| James Crane, CFO               | 0.1                       | 0.1                                |
| <b>Subtotal - Mgmt. Shares</b> | <b>69.1</b>               | <b>69.1</b>                        |
| Restricted Stock               | 4.0                       | 4.0                                |
| Convertible Debt               | 0.0                       | 0.0                                |
| Warrants                       | 0.0                       | 15.5                               |
| Shares in Float                | 11.7                      | 11.7                               |
| <b>Total Common Shares</b>     | <b>84.8</b>               | <b>100.3</b>                       |
| % of Total Owned by Mgmt       | 81%                       | 69%                                |

*This financial information is qualified in its entirety by the financial information contained in the Company's public filings with the SEC.*

# Summary

- A leading wholesaler / distributor of diesel, gasoline, fuel oil and kerosene in Taiyaun City, Shanxi Province, PRC.
- Business founded 1995. Has a very strong competitive position in its geographic marketplace in Shanxi Province with 120,000 metric tons (mt) of storage tank capacity.
- Revenues have increased at a 48+% CAGR% between 2005 and 2009 due to strong increases in demand for diesel and gasoline in Shanxi Province.
- Highly profitable with audited FY 2009 Revenues, Operating Profit and Net Income of \$196.8 MM, \$39.5 MM and \$21.8 MM, respectively.
- Operating Profit is projected to increase to \$46.0 MM in FY 2010 (as the new storage tanks are expected to be placed into service during the second half of this fiscal year).
- Strong balance sheet with Stockholders' Equity of \$121.6 MM and no long-term debt or other long-term liabilities as of June 30, 2009.
- Management currently owns 81% of the shares outstanding (84.8 MM shares) and 69% of fully-diluted shares outstanding (100.3 MM shares) as of December 1, 2009.
- U.S. Company with 100% of assets and operations in China.
- Common stock traded on Over-the-Counter Bulletin Board (OTCBB: LPIH).
- In November 2009, Longwei announced intention to uplist to the NYSE Amex stock exchange
- Price to earnings ratio based on trailing twelve months net income is 7.4, well below industry comparables.