

Press Release

S3 Investment Company Comments on the Return of Chairman/CEO Jim Bickel from China Trip in Support of Subsidiary Operations

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DANVILLE, CA--(MARKET WIRE)--Oct. 1, 2009--S3 Investment Company, Inc. (Other OTC: SIVC) and its wholly owned Redwood Group International subsidiary today commented on the return of Chairman and CEO Jim Bickel from his most recent trip to China in support of the company's businesses which operate there. While in China, Mr. Bickel worked with management of the company's Redwood Capital subsidiary as it prepares another client to enter the North American capital markets.

Redwood Capital assists private Chinese companies in accessing the North American capital markets by utilizing a network of investment banking relationships to achieve reverse merger (or reverse takeover) transactions. One of Redwood's clients is expected to complete the transaction that will result in it trading in a North American market in the near term and a second client may sign a term sheet within the next two weeks.

"The progress of Redwood Capital clients is very encouraging," stated Mr. Bickel upon his return to the United States. "While we can never make any promises regarding the timeframe of a transaction closing, we do expect one client close within the next few weeks. Redwood Capital is focused on assisting in this process and we hope to have another closing to announce very shortly. The second client we believe is moving forward with a term sheet, which should position it as Redwood Capital's next deal to close."

In addition to the meetings regarding Redwood Capital clients, Mr. Bickel participated in meetings with a private equity fund based in Hong Kong as well as new sovereign wealth funds.

Mr. Bickel also met with management of the company's Redwood Medical subsidiary, which serves companies seeking to import Western medical technologies and products into China, widely considered the largest consumer market in the world. Redwood Medical is currently focused on the distribution of a medical product that recently achieved SFDA clearance in China.

"Overall this was a successful trip. We will continue to work with both of the operating subsidiaries in China to build value for the S3 and its shareholders. On every trip to China, it become more and more evident that this large and still emerging economy will be a major driver of the world economic growth in the coming decades," added Mr. Bickel.

To sign up to receive information by email directly from S3 Investment Company when new press releases, investor newsletters, SEC filings or other information is disclosed, please visit <http://www.s3investments.com/investors/>.

About S3 Investment Company, Inc.

S3 Investment Company, Inc. (<http://www.s3investments.com>) and its Redwood Group International subsidiary are focused on facilitating the success of two subsidiaries operating in the China market. Redwood Capital, Inc. assists private Chinese companies in accessing the North American capital markets by utilizing a network of investment banking relationships to achieve reverse merger transactions. For more information, please visit <http://www.redwoodcapinc.com>. Redwood Medical, Inc. assists companies seeking to import and distribute Western medical technologies and products into the China market.

Any statements contained herein related to future events are forward-looking statements and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Readers are cautioned not to place undue reliance on forward-looking statements. S3 Investment Company, Inc. undertakes no obligation to update any such statements to reflect actual events.

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