

Press Release

S3 Investment Company CEO Returns from China and Comments on New Business Opportunities for Redwood Capital Subsidiary

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DANVILLE, CA--(MARKET WIRE)--Jul. 30, 2009--S3 Investment Company, Inc. (Other OTC: SIVC) announced today the return of CEO Jim Bickel from his most recent trip to China in support of the company's wholly owned Redwood Capital subsidiary and issued a comment from Mr. Bickel in which he addressed expanding business opportunities for Redwood Capital in the China market.

Mr. Bickel traveled to China several weeks ago for meetings with Redwood Capital management and staff as well as appointments with its client companies. Redwood Capital provides Chinese clients with U.S. corporate finance and investment banking services and has acted as the China merchant banking advisor for recent acquisition and reverse takeover transactions.

Included in Mr. Bickel's schedule were meetings with clients who have already entered the North American public markets, clients that are currently under contract with Redwood Capital, and clients who are in the final stages of pre-contract due diligence and are expected to come under contract with Redwood in the future. Redwood Capital clients include companies that are seeking to enter the North American public markets as well as those already trading in the U.S. or Canada who are seeking additional capital for business expansion.

"Our meetings in China were fruitful, and we are working with current Redwood clients and pursuing new clients in a variety of industries," commented Mr. Bickel. "The health of China's economy, especially when compared with other large economies around the world, has been well-documented, and we are pleased to be working in the market that is projected by many experts to lead world out of global recession. Redwood Capital's focus continues to be closing additional RTO transactions, and the company's management is currently working to close two client transactions as soon as possible. We will update shareholders on Redwood Capital's progress whenever possible."

In addition to the work on Redwood Capital's core business during his trip, Mr. Bickel and the company's management team have identified a new avenue of business that is expected to become a separate division of Redwood Capital.

Mr. Bickel said, "Due to the tremendous opportunities that exist in the China market, we are looking to expand our Redwood subsidiary to incorporate an additional business unrelated to the current operations of the company. We expect to finalize the structure in the near future and will have an announcement explaining the new business once the necessary steps have been taken."

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 wholly owned Redwood Capital subsidiary are focused on assisting 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>.

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.

Contacts

For S3 Investment Company
Gemini Financial Communications, Inc.
(951) 677-8073
investors@s3investments.com