

Press Release

S3 Investment Company Announces Filing of Annual Report with OTC Disclosure Service

Report includes narrative discussion with expectations for Redwood Capital closings for 2010 and beyond

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DANVILLE, CA--(MARKET WIRE)--Sep. 29, 2009--S3 Investment Company, Inc. (Other OTC: SIVC) today announced that its annual report with consolidated financial results for fiscal year 2009 has been posted to the Pink Sheets OTC Disclosure and News Service. The financial statements can be viewed by looking up the company's stock trading symbol at www.pinksheets.com.

"The information in the annual report is extremely comprehensive, and I hope that all of our shareholders will review it to get the most accurate picture possible of the company's current status as well as its outlook for the future," said Jim Bickel, CEO of S3 Investments, Inc. "We are pleased to have this report posted within the required timeframe to keep our "Current Information" status with the OTC Disclosure Service. We place a high value on transparency, which is why we choose to report our financial information through the service.

"Included in the narrative sections of the report, particularly the Company Information and Disclosure Statement, are discussion concerning the business of S3's wholly owned Redwood Capital subsidiary. This information may be of interest to the company's shareholder and potential shareholders, since it outlines Redwood Capital's performance over the last year and some discussion of management's expectations for the 2010 fiscal year. As we all are aware, the past year was extremely tumultuous for the global economy and the capital markets were particularly hard hit. Redwood Capital was still able to contribute to the closing of two round of financing for its client, Boyuan Construction Group, in a period where few other companies could close any financings at all.

"As noted in the filing, management is expecting to grow sales to \$4 million in the fiscal year ending June 30, 2010, as a result of the current projects in process and those which the company is currently closing. Based on Redwood's pipeline of future business, we are comfortable projecting \$10 million in revenues ending June 30, 2011.

"It is also important to note that due to the fiscal year end date of June 30, this report does not include any substantial discussion of our new Redwood Medical division and our expectations for it."

Mr. Bickel recently returned from a trip to China where he continued to assist in the expansion of the company's subsidiary structure to include its new Redwood Medical subsidiary. He also met with existing Redwood Capital clients, interviewed several new potential clients, met with new

sovereign wealth funds, and directed the activities of all of the company's subsidiary management teams.

The company expects to issue a report on Mr. Bickel's trip in the next several days.

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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