

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

CGS

CHINA GROUND SOURCE ENERGY LIMITED

中國地能有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8128)

GRANT OF SHARE OPTIONS

This announcement is made pursuant to Rule 23.06A of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

The Board of Directors (“Board”) of China Ground Source Energy Limited (“Company”) announces that the Company has granted the following share options, subject to acceptance of the grantees, under its share option scheme adopted on 22 November 2001 with details as follows:

Date of Grant:	23 June 2009
Exercise price of share options granted:	HK\$0.0826 to subscribe for one ordinary share of US\$0.01 each in the capital of the Company (“Share”)
Number of share options granted:	564,400,000 share options (each share option shall entitle the holder of the share option to subscribe for one Share)
Average closing price of the Shares for the 5 business days immediately preceding the date of grant:	HK\$0.0826 per Share
Closing price of a Share on the Date of Grant:	HK\$0.082 per Share
Validity period of the share options:	From 23 June 2009 to 21 December 2011

Out of the 564,400,000 share options granted, a total of 230,000,000 share options were granted to directors and chief executives of the Company, details of which are as follows:

Name of Director/ chief executive	Position/Capacity	Number of share options granted
Chan Wai Kay Katherine	Chairman and Executive Director	55,000,000
Xu Shengheng	Executive Director, Chief Executive Officer and substantial shareholder	55,000,000
Wu Shu Min	Executive Director	55,000,000
Soo Kim Fui Jeffrey	Chief Financial Officer and Executive Director	35,000,000
Fu Hui Zhong	Non-executive Director	15,000,000
Chan Man Kuen Laura	Independent Non-executive Director	5,000,000
Jia Wenzeng	Independent Non-executive Director	5,000,000
Chow Wan Hoi Paul	Independent Non-executive Director	5,000,000

The granting of share options to the above directors and chief executives of the Company has been approved by the independent non-executive directors of the Company (excluding the independent non-executive director who is the grantee of the share options).

By order of the Board
China Ground Source Energy Limited
Chan Wai Kay Katherine
Chairman

Hong Kong, 23 June 2009

As at the date of this announcement, the Board comprises Ms. Chan Wai Kay, Katherine, Mr. Xu Shengheng, Mr. Wu Shu Min, and Mr. Soo Kim Fui, Jeffrey as executive directors, Mr. Fu Hui Zhong as non-executive director and Ms. Chan Man Kuen, Laura, Mr. Jia Wenzeng and Mr. Chow Wan Hoi, Paul as independent non-executive directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication.