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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)

ANNOUNCEMENT

This announcement is made at the request of the Stock Exchange of Hong Kong Limited. The directors (the “Directors”) of China Ground Source Energy Limited (the “Company”) have noted today’s increases in the price and the trading volume of the shares of the Company and wish to state that, save and except for the Company’s first quarterly results announcement dated 13 February 2009, the Directors are not aware of any reasons for such movements.

The Directors also confirm that there are no other negotiations or agreements relating to intended acquisitions or realizations which are discloseable under Chapters 19 to 20 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”), neither is the board of Directors (the “Board”) aware of any matter discloseable under the general obligation imposed by Rule 17.10 of the GEM Listing Rules, which is or may be of a price-sensitive nature.

Made by the order of the Board, the Directors of which collectively and individually accept responsibility for the accuracy of this announcement.

As at the date of this announcement, the board of directors of the Company comprises Mr. Wu Shu Min, Ms. Chan Wai Kay, Katherine, Mr. Xu Shengheng, Mr. Soo Kim Fui, Jeffrey and Ms. Cheung Kwan as executive directors, Mr. Lu Chuan as non-executive director and, Ms. Cai Xin, Ms. Chan Man Kuen, Laura and Mr. Chiu Chun Kit, Calvin as independent non-executive directors.

Ms. Cheung Kwan, being an executive Director, Mr. Lu Chuan, being the non-executive Director and Ms. Cai Xin, being an independent non-executive Director, are unclear as to the list of members of the board of Directors of the Company as at the date of announcement. These three Directors do not accept responsibility for the accuracy and content of the list of members of the Board of Directors of the Company as at the date of announcement, stated in this announcement.

By the order of the Board
China Ground Source Energy Limited
Wu Shu Min
Director

Hong Kong, 17 February 2009

This announcement, for which the directors of China Ground Source Energy Limited 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 China Ground Source Energy Limited. The directors of China Ground Source Energy Limited, 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 Announcement” page on the GEM website for at least 7 days from the date of publication and on the website of China Ground Source Energy Limited at www.iini.com.