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China Leason CBM & Shale Gas Group Company Limited
中國聯盛煤層氣頁岩氣產業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8270)

**FURTHER ANNOUNCEMENT PURSUANT TO RULE 3.7 OF
THE TAKEOVERS CODE**

This announcement is made pursuant to Rule 3.7 of the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”).

Reference is made to the announcements (the “**Announcements**”) of China Leason CBM & Shale Gas Group Company Limited (the “**Company**”) dated 26 June 2013, 27 June 2013 and 25 July 2013 in relation to, among others, the Memorandum of Co-operation entered into between the Company, Beijing Enterprises Holdings Limited (the “**Subscriber**”) and Vision Finance International Company Limited (the “**Placing Agent**”) in respect of the potential Placing and Subscription and its update. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

The Company wishes to further update the Shareholders that the management of the Company, the Subscriber and the Placing Agent are still in the process of discussing the terms of the formal agreement of the potential Placing and Subscription (the “**Formal Agreement**”) and that the Subscriber continues to conduct due diligence review on the Company and its subsidiaries. No Formal Agreement has been reached by the parties in connection with the potential Placing and Subscription.

Save as aforesaid, the Company is not aware of any material new development in relation to the potential Placing and Subscription which should be brought to the attention of the Shareholders.

The Company wishes to emphasise that the potential Placing and Subscription are subject to, among other things, the signing of the Formal Agreement, the terms and conditions of which are still subject to the negotiations of the parties. Shareholders and potential investors of the Company should note that, the potential Placing and Subscription may or may not proceed and the terms and conditions of the potential Placing and Subscription have yet to be finalised and may deviate from those set out in the Memorandum of Co-operation.

The Company will comply with the relevant disclosure and/or shareholders’ approval requirements under the GEM Listing Rules and/or the Takeovers Code where appropriate. Shareholders and potential investors of the Company should exercise extreme caution when dealing in the Shares.

Further announcement(s) will be made in respect of further progress in relation to the potential Placing and Subscription as and when required under the Takeovers Code and/or the GEM Listing Rules.

By Order of the Board
China Leason CBM & Shale Gas Group Company Limited
Wang Zhong Sheng
Chairman

Hong Kong, 22 August 2013

As at the date hereof, the executive Directors are Mr. Wang Zhong Sheng, Mr. Shi Liang, Mr. Fu Shou Gang and Mr. Kwok Shun Tim and the independent non-executive Directors are Mr. Luo Wei Kun, Ms. Pang Yuk Fong and Mr. Wang Zhi He.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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 the information contained in this announcement is accurate and complete in all material respects and not misleading deceptive; and there are no other matters the omission of which would make any statement herein or this announcement misleading.

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

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