
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant, or other professional adviser.

If you have sold or transferred all your shares in China Leason CBM & Shale Gas Group Company Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.

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)

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

Terms used in this cover page have the same meanings as defined in this circular.

A notice of EGM to be held at Conference Room, Building 27-2, Yard No. 1, Disheng North Street, Beijing Economic — Technological Development Area, Beijing, PRC on 18 June 2013 (Tuesday) at 10:30 a.m. is set out on pages 5 to 6 of this circular. A form of proxy for use thereat is also enclosed. Whether or not you are able to attend and vote at the EGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from subsequently attending and voting at the EGM or any adjournment thereof should you so wish.

This circular will remain on the "Latest Company Announcement" page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting.

30 May 2013

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

CONTENTS

	<i>Page</i>
CHARACTERISTICS OF GEM	i
DEFINITIONS	1
LETTER FROM THE BOARD	2
NOTICE OF EXTRAORDINARY GENERAL MEETING	5

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following respective meanings:

“Board”	the board of Directors
“Company”	China Leason CBM & Shale Gas Group Company Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held and convened on 18 June 2013 (Tuesday) for the Shareholders to consider and, if thought fit, to approve the Proposed Increase in Authorised Share Capital
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	28 May 2013, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“PRC” or “China”	the People’s Republic of China, which, for the purposes of this circular, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Proposed Increase in Authorised Share Capital”	the proposed increase in the authorised share capital of the Company from HK\$100,000,000 (divided into 10,000,000,000 Shares) to HK\$200,000,000 (divided into 20,000,000,000 Shares) by the creation of an additional 10,000,000,000 new Shares
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

LETTER FROM THE BOARD

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)

Executive Directors:

Mr. Wang Zhong Sheng (*Chairman*)
Mr. Shi Liang
Mr. Fu Shou Gang
Mr. Kwok Shun Tim

Registered office:

Cricket Square,
Hutchins Drive,
P.O. Box 2681,
Grand Cayman, KY1-1111,
Cayman Islands

Independent Non-executive Directors:

Mr. Luo Wei Kun
Ms. Pang Yuk Fong
Mr. Wang Zhi He

Principal place of business

in Hong Kong:
Room 910B, 9/F,
East Wing,
Tsim Sha Tsui Centre,
66 Mody Road,
Tsim Sha Tsui East,
Kowloon, Hong Kong

30 May 2013

To Shareholders

Dear Sirs or Madams,

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

INTRODUCTION

Reference is made to the announcement of the Company dated 24 May 2013 in relation to, among other things, the Proposed Increase in Authorised Share Capital.

The purpose of this circular is to provide you with further details in relation to, among other things, the Proposed Increase in Authorised Share Capital and a notice of the EGM for approving the Proposed Increase in Authorised Share Capital.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The Company had an authorised share capital of HK\$100,000,000 divided into 10,000,000,000 Shares of which 4,402,505,023 Shares were in issue as at the Latest Practicable Date. The Company also had outstanding options to subscribe for 249,760,000 Shares granted under the share option scheme of the Company, and outstanding convertible bond in the principal amount of HK\$275,400,000 convertible into 1,059,230,769 Shares at the initial conversion price of HK\$0.26 (subject to adjustment) as at the

LETTER FROM THE BOARD

Latest Practicable Date. The Board proposes to increase the authorised share capital of the Company from HK\$100,000,000 divided into 10,000,000,000 Shares to HK\$200,000,000 divided into 20,000,000,000 Shares by the creation of an additional 10,000,000,000 new Shares. Such new Shares, upon issued and fully paid, shall rank pari passu in all respects with the Shares.

The Proposed Increase in Authorised Share Capital is conditional upon the passing of an ordinary resolution by the Shareholders at the EGM. The Board is of the view that the Proposed Increase in Authorised Share Capital will provide flexibility to the Company in determining its future business plan, and is therefore in the interest of the Company and the Shareholders taken as a whole.

As at the Latest Practicable Date, the Directors did not have any intention of issuing any part of the unissued authorised share capital of the Company.

EXTRAORDINARY GENERAL MEETING

An EGM will be convened and held for the Shareholders to consider and, if thought fit, to approve the Proposed Increase in Authorised Share Capital by way of poll.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries as at the Latest Practicable Date, no Shareholder is required to abstain from voting on the resolution to be approved at the EGM.

The notice of the EGM to be held at Conference Room, Building 27-2, Yard No. 1, Disheng North Street, Beijing Economic — Technological Development Area, Beijing, PRC on 18 June 2013 at 10:30 a.m., is set out on pages 5 to 6 of this circular.

A form of proxy for use thereat is also enclosed. Whether or not you are able to attend and vote at the EGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from subsequently attending and voting at the EGM or any adjournment thereof should you so wish.

GENERAL

This circular includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement contained herein or this circular misleading.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors believe that the Proposed Increase in Authorised Share Capital is fair and reasonable and is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM.

By Order of the Board
China Leason CBM & Shale Gas Group Company Limited
WANG ZHONG SHENG
Executive Director

NOTICE OF EXTRAORDINARY GENERAL MEETING

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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “Meeting”) of China Leason CBM & Shale Gas Group Company Limited (the “Company”) will be held at Conference Room, Building 27-2, Yard No. 1, Disheng North Street, Beijing Economic — Technological Development Area, Beijing, People’s Republic of China on 18 June 2013 at 10:30 a.m. for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

“**THAT**

- (a) the authorised share capital of the Company be and is hereby increased from HK\$100,000,000 divided into 10,000,000,000 ordinary shares of HK\$0.01 each (“Share(s)”) to HK\$200,000,000 divided into 20,000,000,000 Shares by the creation of an additional 10,000,000,000 new Shares (the “Proposed Increase in Authorised Share Capital”); and
- (b) any one or more of the Directors be and is/are hereby authorised do all such acts and things and execute all such documents which he/she/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Proposed Increase in Authorised Share Capital.”

By Order of the Board
China Leason CBM & Shale Gas Group Company Limited
WANG ZHONG SHENG
Executive Director

Hong Kong, 30 May 2013

NOTICE OF EXTRAORDINARY GENERAL MEETING

Registered office:

Cricket Square,
Hutchins Drive,
P.O. Box 2681,
Grand Cayman, KY1-1111,
Cayman Islands

Principal place of business in Hong Kong:

Room 910B, 9/F,
East Wing,
Tsim Sha Tsui Centre,
66 Mody Road,
Tsim Sha Tsui East,
Kowloon, Hong Kong

Notes:

1. Any member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend in his stead. A proxy need not be a member of the Company.
2. A proxy form of the Meeting is enclosed. If the appointer is a corporation, the proxy form must be made under its common seal or under the hand of an officer or attorney duly authorised on its behalf.
3. Where there are joint registered holders of any share, any one of such persons may vote at the Meeting (or any adjournment thereof), either personally or by proxy, in respect of such share as if he/she were solely entitled thereto; but if more than one of such holders be present at the Meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
4. In order to be valid, the proxy form, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
5. Completion and delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the Meeting or at any adjournment thereof (as the case may be) and, in such event, the instrument appointing a proxy shall be deemed to be revoked.