
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer 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** (the “Company”), you should at once hand this circular with the enclosed form of proxy to the purchaser or to the bank, licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser(s) or transferee(s).

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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)

**PROPOSALS FOR GRANT OF
ISSUE MANDATE AND REPURCHASE MANDATE,
RE-ELECTION OF DIRECTORS,
PROPOSED APPOINTMENT OF AUDITORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting (“AGM”) of the Company to be held at Conference Room, Building 27-2, Yard No. 1, Disheng North Street, Beijing Economic — Technological Development Area, Beijing, PRC on 27 May 2013 (Monday) at 10:00 a.m. is set out on pages 15 to 18 of this circular. Resolutions will be proposed at the AGM to consider and, if thought fit, approve the Issue Mandate and the Repurchase Mandate and the re-election of Directors by way of ordinary resolutions.

A form of proxy is enclosed with this circular. Whether or not you are intending to attend and vote at the AGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 28, Three Pacific Place, 1 Queen’s Road East, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from subsequently attending and voting at the AGM or any adjourned meeting should you so desire.

This circular will remain on the “Latest Company Announcements” page of the GEM Website of the Stock Exchange at www.hkgem.com for at least 7 days from the date of posting.

22 April 2013

CONTENTS

	<i>Page</i>
Characteristics of GEM	1
Responsibility Statement	2
Definitions	3
Letter from the Board	5
Appendix I — Explanatory Statement	8
Appendix II — Details of Directors Proposed to be Re-elected	12
Notice of AGM	15

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.

RESPONSIBILITY STATEMENT

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.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be convened and held at Conference Room, Building 27-2, Yard No. 1, Disheng North Street, Beijing Economic — Technological Development Area, Beijing, PRC on 27 May 2013 (Monday) at 10:00 a.m., the notice of which is set out on pages 15 to 18 of this circular
“Articles”	the articles of association of the Company
“associate(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“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 Shares of which are listed on GEM of the Stock Exchange
“connected person(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“Directors”	the directors of the Company
“GEM”	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
“HLB”	HLB Hodgson Impey Cheng Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	the proposed general and unconditional mandate to authorise the Directors to issue and allot new Shares of up to 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of an ordinary resolution approving the same
“Latest Practicable Date”	16 April 2013, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein

DEFINITIONS

“PRC”	The People’s Republic of China and for the purpose of this circular, does not include Hong Kong, the Macau Special Administrative Region and Taiwan
“Repurchase Mandate”	the proposed general and unconditional mandate to authorise Directors to repurchase the fully paid up Shares up to 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of an ordinary resolution approving the same
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	the holder(s) of the Share(s)
“Share Option Scheme”	share option scheme adopted by the Company on 18 May 2011
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

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. Zhang Qing Lin
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 3705, 37th Floor
148 Electric Road
North Point
Hong Kong

22 April 2013

To the Shareholders

Dear Sir/Madam,

**PROPOSALS FOR GRANT OF
ISSUE MANDATE AND REPURCHASE MANDATE,
RE-ELECTION OF DIRECTORS,
APPOINTMENT OF AUDITORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding certain ordinary resolutions to be proposed at the AGM to enable you to make an informed decision on whether to vote for or against those resolutions.

At the AGM, resolutions will be proposed for the Shareholders to approve, among other things, (i) the Repurchase Mandate; (ii) the Issue Mandate; (iii) the proposed re-election of retiring Directors and (iv) appointment of auditors. The full text of these resolutions is set out in the notice convening the AGM (the “Notice”).

LETTER FROM THE BOARD

REPURCHASE MANDATE

At the last annual general meeting of the Company held on 26 November 2012, a general mandate was granted to the Directors to exercise the powers of the Company to repurchase Shares. Such mandate will lapse at the conclusion of the AGM. An ordinary resolution will be proposed at the AGM to approve the Repurchase Mandate. As at the Latest Practicable Date, the Company has an issued share capital of HK\$44,025,050.23 divided into 4,402,505,023 Shares of HK\$0.01 each. Subject to the passing of an ordinary resolution approving the Repurchase Mandate and on the basis that no further Shares will be issued or allotted by the Company prior to the AGM, exercise of the Repurchase Mandate in full would result in up to a maximum of 440,250,502 Shares, representing 10% of the total number of Shares in issue and a share capital of HK\$4,402,505.02, being repurchased by the Company. An explanatory statement as required under the GEM Listing Rules to provide the requisite information of the Repurchase Mandate is set out in Appendix I of this circular.

ISSUE MANDATE

At the AGM, an ordinary resolution will be proposed to approve the Issue Mandate in order to ensure flexibility and discretion to the Directors to issue new Shares. As at the Latest Practicable Date, the Company has an issued share capital of HK\$44,025,050.23 divided into 4,402,505,023 Shares of HK\$0.01 each. Subject to the passing of an ordinary resolution approving the Issue Mandate and on the basis that no further Shares will be issued or allotted by the Company prior to the AGM, the exercise of the Issue Mandate in full would result in up to a maximum of 880,501,004 Shares, representing 20% of the total number of Shares in issue and a share capital of HK\$8,805,010.04, being issued by the Company during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by law or the date upon which the Issue Mandate is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company. In addition, an ordinary resolution will also be proposed to extend the Issue Mandate by adding to it the number of such Shares repurchased under the Repurchase Mandate.

RE-ELECTION OF EXECUTIVE DIRECTORS

As at the Latest Practicable Date, the Board comprises of eight Directors, including five executive directors, namely, Mr. Wang Zhong Sheng, Mr. Shi Liang, Mr. Zhang Qing Lin, Mr. Fu Shou Gang and Mr. Kwok Shun Tim; and three independent non-executive directors, namely, Mr. Luo Wei Kun, Ms. Pang Yuk Fong and Mr. Wang Zhi He.

Pursuant to the Articles, Mr. Fu Shou Gang, Mr. Kwok Shun Tim and Mr. Zhang Qing Lin shall retire from office at the AGM and, being eligible, will offer themselves for re-election.

Brief biographical details of the said retiring Directors proposed to be re-elected at the AGM are set out in Appendix II of this circular.

LETTER FROM THE BOARD

AGM

A notice convening the AGM to be held at Conference Room, Building 27-2, Yard No. 1, Disheng North Street, Beijing Economic — Technological Development Area, Beijing, PRC on 27 May 2013 (Monday) at 10:00 a.m. is set out on page 15 to 18 of this circular.

ACTIONS TO BE TAKEN

A form of proxy for use by the Shareholders at the AGM is enclosed with this circular. Whether or not you intend to attend and vote at the AGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 28, Three Pacific Place, 1 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Such form of proxy for use at the AGM is also published on the website of GEM at "www.hkgem.com". Completion and return of the proxy form will not preclude you from subsequently attending and voting at the AGM or any adjourned meeting should you so desire.

RECOMMENDATION

At the AGM, resolutions will be proposed for the Shareholders to approve, among other things, (i) the Issue Mandate; (ii) the Repurchase Mandate; (iii) the proposed re-election of retiring Directors.

The Directors consider that (i) the Repurchase Mandate; (ii) the Issue Mandate; (iii) the proposed re-election of retiring Directors are in the interests of the Company, the Group and the Shareholders as a whole and accordingly recommend all Shareholders to vote in favour of all resolutions to be proposed at the AGM respectively.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the principal place of business of the Company in Hong Kong during normal business hours from the date of this circular up to and including the date of the AGM:

- (i) the memorandum of association of the Company and the Articles; and
- (ii) this circular.

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

22 April 2013

This appendix serves as an explanatory statement as required under the GEM Listing Rules to provide the requisite information to you for consideration of the Repurchase Mandate.

For the purpose of this appendix, the term “shares” shall be as defined in the Code on Share Repurchases to mean shares of all classes and securities which carry a right to subscribe or purchase Shares.

1. Share Capital

As at the Latest Practicable Date, the Company had 4,402,505,023 Shares in issue or an issued share capital of HK\$44,025,050.23. As at the Latest Practicable Date, there were 249,760,000 outstanding share options granted under the Share Option Scheme entitling the holders thereof to subscribe for any Shares.

Subject to the passing of the resolution approving the Repurchase Mandate and on the basis that no Shares will be issued, allotted or repurchased by the Company prior to the AGM, the exercise of the proposed Repurchase Mandate in full would result in up to 440,250,502 Shares, representing 10% of the total number of Shares in issue and a share capital of HK\$4,402,505.02 being repurchased by the Company during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is as required to be held by law or the date upon which the Repurchase Mandate is revoked or varied by an ordinary resolution of Shareholders in general meeting of the Company.

2. Source of Funds

The Directors propose that the repurchase of Shares under the Repurchase Mandate would be financed from the Company’s internal resources.

In repurchasing the Shares, the Company may only apply funds which are legally available for such purposes in accordance with the constitutive documents of the Company, the GEM Listing Rules and the applicable laws and regulations of the Cayman Islands. The laws of the Cayman Islands provide that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant shares, or the funds of the company that would otherwise be available for distribution by way of dividend or distribution or the proceeds of a new issue of the shares made for the purpose of the redemption. It is envisaged that the funds required for any repurchase of the Shares would be derived from the capital paid up on the Shares being repurchased and from the distributable profits of the Company.

3. Reasons for Share Repurchase

Although the Directors have no present intention of exercising the proposed Repurchase Mandate, the Directors believe that the flexibility afforded by the proposed Repurchase Mandate would be beneficial to the Company and the Shareholders. An exercise of the Repurchase Mandate may, depending on market conditions at the time, lead to an enhancement of the net asset value and/or earnings per Share and will only be made when the Directors believe that repurchase of Shares will benefit the Company and Shareholders as a whole.

4. Share Prices

The highest and lowest prices at which the Shares have traded on the GEM during each of the previous twelve calendar months preceding the Latest Practicable Date were as follows:

	Shares Price	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2012		
April	N/A **	N/A **
May	N/A **	N/A **
June	N/A **	N/A **
July	N/A **	N/A **
August	N/A **	N/A **
September	N/A **	N/A **
October	0.290**	0.230 **
November	0.265	0.245
December	0.360	0.255
2013		
January	0.345	0.260
February	0.310	0.280
March	0.330	0.255
April*	0.410	0.325

* Up to and including the Latest Practicable Date

** Trading in the Shares on GEM of the Stock Exchange had been suspended from 9:00 a.m. on 30 March 2012 due to the delay in the publication of the annual results of the Company for the year ended 31 December 2011 and trading in the Shares resumed on 4 October 2012.

5. Undertaking

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate and in accordance with the GEM Listing Rules and the applicable laws of the Cayman Islands.

6. Takeovers Code Consequence

If as a result of a repurchase of shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase in the Shareholder's interests, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, the following shareholders had interests representing 5% or more of the issued share capital of the Company:

Name	Shares held	Nature of interest	Percentage of total issued Shares
Mr. Wang Zhong Sheng (<i>Note 1</i>)	2,042,512,887	Beneficial owner	46.39%
Mr. Wang Zhong Sheng (<i>Note 2</i>)	120,790,000	Interest of Controlled corporation	2.74%
Ms. Zhao Xin (<i>Note 3</i>)	2,163,302,887	Interest of spouse	49.13%

Notes:

1. Out of the 2,042,512,887 long positions, Mr. Wang Zhong Sheng is interested as (i) a grantee of options to subscribe for 2,500,000 shares under the share option scheme adopted by the Company on 18 May 2011; (ii) a holder of convertible bonds convertible to 1,059,230,769 conversion shares; and (iii) a beneficial owner of 980,782,118 issued shares of the Company.
2. Such shares represent the same parcel of shares owned by Jumbo Lane Investments Limited. Mr. Wang Zhong Sheng is the beneficial owner of the 100% of the total issued share capital of Jumbo Lane Investments Limited. Mr. Wang Zhong Sheng is taken to be interested in the shares owned by Jumbo Lane Investments Limited pursuant to the SFO.
3. Ms. Zhao Xin (the spouse of Mr. Wang Zhong Sheng) is deemed to be interested in her spouse's interest in the Company pursuant to the SFO.

Based on the shareholding of the substantial shareholders of the Company set out above, in the event that the Directors exercise the power to repurchase shares under the Repurchase Mandate to be proposed at the AGM in full to the extent of repurchasing 440,250,502 Shares, the shareholding of Mr. Wang Zhong Sheng and parties acting in concert with him will increase from 25.02% to 27.80%, then Mr. Wang Zhong Sheng and parties acting in concert with him will not be required to make a mandatory offer under the Takeovers Code.

Save as set out above, the Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any purchase made under the Repurchase Mandate. However, the Company undertakes not to repurchase shares which would result in the amount of shares held by the public being reduced to less than 25 per cent of the issued share capital.

7. Disclosure Of Interests Of Directors And Connected Persons

- (i) As at the Latest Practicable Date, none of the Directors nor, to the best of their respective knowledge and belief and having made all reasonable enquiries, their associates (as defined under the GEM Listing Rules), have any present intention, if the Repurchase Mandate is approved by the Shareholders and is exercised, to sell any Shares to the Company or any of its subsidiaries under the Repurchase Mandate.
- (ii) As at the Latest Practicable Date, no connected person (as defined in the GEM Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell any Shares in the event that the Repurchase Mandate is approved by the Shareholders.

8. Material Adverse Change

The exercise of the Repurchase Mandate in full will have a material adverse impact on the working capital or the gearing level of the Company (as compared with the position disclosed in its most recent published audited accounts as at 31 December 2012).

The Directors do not, propose to exercise the power to repurchase Shares pursuant to the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital or the gearing levels of the Company (as compared with the position disclosed in its most recent published audited accounts as at 31 December 2012) which in the opinion of the Directors are from time to time appropriate for the Company. The number of the Shares to be repurchased on any occasion and the price and other terms upon which the same are purchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

9. Share Repurchase Made By The Company

The Company had not purchased any of the Shares (whether on GEM or otherwise) in the six months preceding the Latest Practicable Date.

The following are particulars of the Directors proposed to be re-elected at the AGM:

EXECUTIVE DIRECTORS

Mr. Fu Shou Gang (“**Mr. Fu**”), aged 46, has years of experiences in the natural gas sector. Prior to joining the Group, he worked in Tianjin Tianlian Public Utilities Company Limited, where was pointed as an executive Director. Mr. Fu is interested as a grantee of options to subscribe for 2,500,000 shares under the share options scheme adopted by the Company on 18 May 2011.

Save as disclosed above, Mr. Fu did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications.

Save as disclosed above, Mr. Fu does not have any relationship with other Directors, senior management, substantial or controlling Shareholders of the Company. Mr. Fu is interested as a grantee of options to subscribe for 2,500,000 shares under the share option scheme adopted by the Company on 18 May 2011. Save as disclosed above, he has no other interests in the Shares which are required to be disclosed pursuant to Part XV of the SFO.

No service contract has been entered into between the Company and Mr. Fu. Mr. Fu will not be appointed for a fixed term but will be subject to retirement by re-election in accordance with the Articles. If re-elected, Mr. Fu will be entitled to a remuneration of RMB453,000 per annum which is determined by the Board with reference to his experience, duties and responsibilities and the prevailing market rate of companies of comparable size and similar operations.

Mr. Kwok Shun Tim (“**Mr. Kwok**”), aged 38, was appointed as the executive Director in 2013. Mr. Kwok holds a master of science in China Business Studies from The Hong Kong Polytechnic University and a master of laws (International Economic Law) from the City University of Hong Kong and a Bachelor Degree of Business Administration in Accounting from The Hong Kong University of Science and Technology. He is an associate member of Hong Kong Society of Accountants (currently known as Hong Kong Institute of Certified Public Accountants), an ordinary member of Hong Kong Securities Institute, a full member of IT Accountants Association and a fellow of the Association of Chartered Certified Accountants. From May 2006 to December 2010, Mr. Kwok was a non-executive Director of the Company (formerly known as China Leason Investment Group Co., Limited). Mr. Kwok is currently a member of Guangdong Province Zhaoqing City Committee of the Chinese People’s Political Consultative Conference (中國人民政治協商會議廣東省肇慶市委員會), a director of Yan Oi Tong for the year 2012/2013, the deputy chief supervisor of Hong Kong Road Safety Patrol and a school manager of C.C.C. Kwei Wah Shan College. Mr. Kwok is currently an executive director of Computech Holdings Limited (Stock Code: 8081), a company whose shares are listed on the GEM of the Stock Exchange, and an independent non-executive director both of Modern Education Group Limited (Stock Code: 1082), a company whose shares are listed on the Main Board of the Stock Exchange, and Longlife Group Holdings Limited (stock code: 8037), a company whose shares are listed on the GEM of the Stock Exchange, and the company secretary of

Tianjin Jinran Public Utilities Company Limited (Stock code: 1265, formerly known as Tianjin Tianlian Public Utilities Company Limited), a company whose shares are listed on the Main Board of the Stock Exchange. Mr. Kwok is a licensed person for Type 4 and Type 9 regulated activities under the SFO.

Save as disclosed above, Mr. Kwok did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications.

Save as disclosed above, Mr. Kwok does not have any relationship with other Directors, senior management, substantial or controlling Shareholders of the Company and he has no interests in the Shares which are required to be disclosed pursuant to Part XV of the SFO.

No service contract has been entered into between the Company and Mr. Kwok. Mr. Kwok will not be appointed for a fixed term but will be subject to retirement by re-election in accordance with the Articles. If re-elected, Mr. Kwok will be entitled to a remuneration of HK\$200,000 per annum which is determined by the Board with reference to his experience, duties and responsibilities and the prevailing market rate of companies of comparable size and similar operations.

Mr. Zhang Qing Lin (“**Mr. Zhang**”), aged 62, joined the Company in the year of 2007. He graduated from the Tianjin Industrial University* (天津工業大學), (formerly known as The Institute of Tianjin Textile Industry* (天津紡織工業學院)) in 1980. Prior to joining the Group, Mr. Zhang has extensive working experience in corporate management. Mr. Zhang is interested as a grantee of options to subscribe for 2,500,000 shares under the share options scheme adopted by the Company on 18 May 2011.

Save as disclosed above, Mr. Zhang did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications.

Save as disclosed above, Mr. Zhang does not have any relationship with other Directors, senior management, substantial or controlling Shareholders of the Company. Mr. Zhang is interested as a grantee of options to subscribe for 2,500,000 shares under the share option scheme adopted by the Company on 18 May 2011. Save as disclosed above, he has no other interests in the Shares which are required to be disclosed pursuant to Part XV of the SFO.

No service contract has been entered into between the Company and Mr. Zhang. Mr. Zhang will not be appointed for a fixed term but will be subject to retirement by re-election in accordance with the Articles. If re-elected, the remuneration of Mr. Zhang will be determined by the Board which will take into account his experience, duties and responsibilities and by reference to the prevailing market rate of companies of comparable size and similar operations.

* For identification purpose only

Save as disclosed above, there are no information to be disclosed pursuant to any of the requirements of Rule 17.50(2) of the GEM Listing Rules (particularly in relation to sub-paragraphs (h) to (v) therein) nor are there any other matters that need to be brought to the attention of the Shareholders in respect of each of the above Directors.

NOTICE OF AGM

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 IS HEREBY GIVEN that the annual general meeting of shareholders 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, PRC on 27 May 2013 (Monday) at 10:00 a.m., for the following purposes:

ORDINARY RESOLUTIONS

1. To receive and adopt the audited financial statements together with the reports of the directors and the auditors for the year ended 31 December 2012.
2.
 - (i) To re-elect Mr. Fu Shou Gang as an executive director of the Company.
 - (ii) To re-elect Mr. Kwok Shun Tim as an executive director of the Company.
 - (iii) To re-elect Mr. Zhang Qing Lin as an executive director of the Company.
 - (iv) To authorise the board of directors of the company to fix the remuneration of the directors of the Company.
3. To re-appoint HLB Hodgson Impey Cheng Limited as auditors and to authorise the board of directors of the Company to fix their remuneration.
4. To consider and, if thought fit, to pass, with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares in the capital of the Company on the Growth Enterprise Market (the “GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and which is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

NOTICE OF AGM

- (b) the aggregate nominal amount of the shares of the Company which the Directors of the Company is authorised to repurchase pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution, and the said approval shall be limited accordingly; and
 - (c) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held; or
 - (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.”
5. To consider and, if thought fit, to pass, with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) of this Resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company or securities convertible into such shares or options, warrants, or similar right to subscribe for any shares or convertible securities of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors of the Company pursuant to the approval in paragraph (a) of this Resolution, otherwise than (i) a Rights Issue (as hereinafter defined); (ii) an issue of shares under any share option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries and/or any eligible persons thereunder of shares or rights to acquire shares in the capital of the Company; (iii) an issue of shares as scrip dividends pursuant to the articles of

NOTICE OF AGM

association of the Company from time to time; or (iv) an issue of shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into shares of the Company, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution, and the said approval shall be limited accordingly; and

- (d) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held; or
 - (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares of the Company open for a period fixed by the Directors of the Company to the holders of shares of the Company whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

6. To consider and, if thought fit, to pass, with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of Resolution Nos. 4 and 5 as set out in the Notice, the general mandate granted to the Directors of the Company to allot, issue and deal with additional shares in the capital of the Company pursuant to Resolution No. 5 as set out in the Notice be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the shares in the capital of the Company repurchased by the Company under the authority granted pursuant to Resolution No. 4 as set out in the Notice, provided that such amount of shares shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this Resolution.”

By Order of the Board
China Leason CBM & Shale Gas Group Company Limited
LUI CHI KEUNG
Company Secretary

Hong Kong, 22 April 2013

NOTICE OF AGM

Principal Place of Business in Hong Kong:

Room 3705, 37th Floor
148 Electric Road
North Point
Hong Kong

Registered Office:

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

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 and vote 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 authorized on its behalf.
3. Where there are joint registered holders of any shares, any one of such persons may vote at the above meeting (or any adjournment thereof), either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the above 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 registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 28, Three Pacific Place, 1 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
5. Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. In relation to Resolution No. 2, three Directors will retire from office at the meeting in accordance with the Articles and, being eligible, will offer themselves for re-election. Details of these Directors are set out in Appendix II to this Circular.
7. An explanatory statement as required by the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited ("GEM Listing Rules") in connection with the Repurchase Mandate under Resolution No. 4 above is set out in Appendix I to this Circular.
8. As at the date of this notice, the Board of the Company comprises of five executive directors, namely, Mr. Wang Zhong Sheng, Mr. Shi Liang, Mr. Zhang Qing Lin, Mr. Fu Shou Gang and Mr. Kwok Shun Tim; and three independent non-executive directors, namely, Mr. Luo Wei Kun, Ms. Pang Yuk Fong and Mr. Wang Zhi He.