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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: 08270)

RESULTS OF THE OPEN OFFER AND ADJUSTMENTS TO THE OUTSTANDING OPTIONS

RESULTS OF THE OPEN OFFER

The Board announces that as all conditions set out in the Underwriting Agreement had been fulfilled and the Underwriting Agreement had not been terminated by the Underwriter on or before the Latest Time for Termination, the Underwriting Agreement became unconditional at 4:00 p.m. on Tuesday, 4 February 2014.

As at 4:00 p.m. on Wednesday, 29 January 2014, being the Latest Acceptance Time, 10 valid acceptances were received for a total of 2,849,615,725 Offer Shares, representing approximately 89.87% of the total number of 3,170,867,896 Offer Shares being offered under the Open Offer. The Open Offer was under-subscribed by 321,252,171 Offer Shares. In accordance with the terms of the Underwriting Agreement, the Underwriter had performed its underwriting obligations by subscribing for and procuring a sub-underwriter to subscribe for all the untaken Offer Shares.

Pursuant to the Mr. Wang's Undertaking and the Jumbo Lane's Undertaking, Mr. Wang and Jumbo Lane have subscribed for all the Offer Shares each is entitled under the Open Offer.

It is expected that the share certificates for all the Offer Shares will be despatched to those Shareholders who have accepted and paid for the Offer Shares by ordinary post at their own risk on or before Friday, 7 February 2014.

Dealings in the Offer Shares are expected to commence on the Stock Exchange at 9:00 a.m. on Monday, 10 February 2014. The Offer Shares will be traded in the same board lot size of 10,000 Shares per board lot as the existing Shares.

ADJUSTMENTS TO THE OUTSTANDING OPTIONS

As a result of the Open Offer, adjustments have been made to the exercise price of the outstanding Options and number of Shares that can be subscribed for upon the exercise of the outstanding Options.

Reference is made to the prospectus of China Leason CBM & Shale Gas Group Company Limited (the “Company”) dated 15 January 2014 (the “Prospectus”) in respect of the Open Offer of 3,170,867,896 Offer Shares on the basis of one Offer Share for every two existing Shares held on the Record Date at HK\$0.04 per Offer Share. Capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus, unless the context herein requires otherwise.

RESULTS OF THE OPEN OFFER

As at 4:00 p.m. on Wednesday, 29 January 2014, being the Latest Acceptance Time, 10 valid acceptances were received for a total of 2,849,615,725 Offer Shares, representing approximately 89.87% of the total number of 3,170,867,896 Offer Shares being offered under the Open Offer.

Pursuant to the Mr. Wang’s Undertaking and the Jumbo Lane’s Undertaking, Mr. Wang and Jumbo Lane have subscribed for all the Offer Shares each is entitled under the Open Offer.

The Underwriting Agreement

As all conditions set out in the Underwriting Agreement had been fulfilled and the Underwriting Agreement had not been terminated by the Underwriters on or before the Latest Time for Termination, the Underwriting Agreement became unconditional at 4:00 p.m. on Tuesday, 4 February 2014. The Open Offer was under-subscribed by 321,252,171 Offer Shares. In accordance with the terms of the Underwriting Agreement, the Underwriter had performed its underwriting obligations by subscribing for and procuring a sub-underwriter to subscribe for all the untaken Offer Shares. To the best of the Directors’ knowledge, information and belief and after having made reasonable enquiries, the sub-underwriter, being an individual investor, is an Independent Third Party.

Changes in shareholding structure of the Company

To the best of the knowledge, information and belief of the Directors and after having made all reasonable enquiries, the following is a summary of the shareholding structure of the Company immediately before and after completion of the Open Offer:

Shareholders	Immediately before completion of the Open Offer		Immediately after completion of the Open Offer	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Mr. Wang	1,320,782,118	20.83	1,981,173,177	20.83
Jumbo Lane (<i>Note 1</i>)	120,790,000	1.90	181,185,000	1.90
<i>Sub-total</i>	<u>1,441,572,118</u>	<u>22.73</u>	<u>2,162,358,177</u>	<u>22.73</u>
<i>Public Shareholders</i>				
The Underwriter and the sub-underwriter (<i>Note 2</i>)	—	—	321,252,171	3.38
Existing public Shareholders	<u>4,900,163,674</u>	<u>77.27</u>	<u>7,028,993,340</u>	<u>73.89</u>
Total	<u>6,341,735,792</u>	<u>100</u>	<u>9,512,603,688</u>	<u>100</u>

Notes:

1. Jumbo Lane is legally and beneficially owned by Mr. Wang, the chairman of the Board, an executive Director and a substantial shareholder of the Company.
2. RHB OSK Securities had entered into a sub-underwriting letter with an Independent Third Party. Neither the Underwriter and the sub-underwriter has become a substantial shareholder of the Company immediately after completion of the Open Offer.

Despatch of share certificates for the Offer Shares

It is expected that the share certificates for all the Offer Shares will be despatched to those Shareholders who have accepted and paid for the Offer Shares by ordinary post at their own risk on or before Friday, 7 February 2014.

Commencement of dealings in the Offer Shares

Dealings in the Offer Shares are expected to commence on the Stock Exchange at 9:00 a.m. on Monday, 10 February 2014. The Offer Shares will be traded in the same board lot size of 10,000 Shares per board lot as the existing Shares.

ADJUSTMENTS TO THE OUTSTANDING OPTIONS

Adjustments to the outstanding Options

With reference to the provisions of the Share Option Scheme, Rule 17.32 of the GEM Listing Rules and the supplementary guidance issued by the Stock Exchange on 5 September 2005 regarding the interpretation of Rule 23.03(13) of the GEM Listing Rules, the exercise price of the outstanding Options and the number of Shares that can be subscribed for upon the exercise of the outstanding Options have been adjusted in the following manner:

Name or category of participant	Date of grant of Options	Exercise period of Options	Before completion of the Open Offer		Upon completion of the Open Offer	
			Number of Options outstanding	Exercise price of Option HK\$ per Share	Adjusted number of Option outstanding	Adjusted exercise price of Option HK\$ per Share
<i>Executive Directors</i>						
Mr. Wang Zhong Sheng	30 May 2011	30 May 2011- 29 May 2021	2,500,000	0.495	3,247,500	0.381
Mr. Fu Shou Gang	30 May 2011	30 May 2011- 29 May 2021	2,500,000	0.495	3,247,500	0.381
<i>Employees</i>	30 May 2011	30 May 2011- 29 May 2021	42,240,000	0.495	54,869,760	0.381
<i>Consultants</i>	30 May 2011	30 May 2011- 29 May 2021	200,020,000	0.495	259,825,980	0.381

The auditors of the Company have carried out certain agreed-upon procedures in accordance with Hong Kong Standard on Related Services 4400 “Engagements to Perform Agreed-Upon Procedures Regarding Financial Information” issued by the Hong Kong Institute of Certified Public Accountants in respect of the adjustments to the exercise price of the outstanding Options and the number of Shares that can be subscribed for upon the exercise of the outstanding Options and issued a report of factual findings to the Board stating that the computation of the adjustments are mathematically accurate and satisfies the requirements as set out in the note to Rule 23.03(13) of the GEM Listing Rules and terms of the Share Option Scheme.

Saved for the above adjustments, all other terms and conditions of the Share Option Scheme remained unchanged. Specific written notification regarding the adjustments will be given to the holders of the outstanding Options pursuant to the Share Option Scheme.

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

Hong Kong, 6 February 2014

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 all 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 or deceptive, and there are no other matters 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.