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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 increase in the price of the shares of the Company and wish to state that 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 Ms. Chan Wai Kay, Katherine, Mr. Xu Shengheng, Mr. Wu Shu Min, and Mr. Soo Kim Fui, Jeffrey as executive directors, Mr. Fu Hui Zhong as non-executive director and Ms. Chan Man Kuen, Laura, Mr. Chiu Chun Kit, Calvin and Mr. Jia Wenzeng as independent non-executive directors.

By order of the board of
China Ground Source Energy Limited
Chan Wai Kay, Katherine
Chairman

Hong Kong, 21 April 2009

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: (i) the information contained in this announcement is accurate and complete in all material aspects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) 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 Announcements” page of the GEM website for 7 days from the date of its publication and on the website of the Company at www.iini.com.