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CHINA GROUND SOURCE ENERGY LIMITED

中國地能有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8128)

**RESIGNATION AND APPOINTMENT OF
INDEPENDENT NON-EXECUTIVE DIRECTOR AND
MEMBERS OF AUDIT COMMITTEE AND
REMUNERATION COMMITTEE**

The Board of Directors (the “Board”) of China Ground Source Energy Limited (the “Company”) announces that Mr. Chiu Chun Kit, Calvin (“Mr. Chiu”), due to more time allocation in his China engagement is required, resigned as independent non-executive director and members of the audit committee and remuneration committee of the Company with effect from 1 May 2009. Mr. Chiu has confirmed that there is no disagreement with the Board and there is no matter relating to his resignation that needs to be brought to the attention of the shareholders of the Company.

The Board is also pleased to announce that Mr. Chow Wan Hoi, Paul (“Mr. Chow”) has been appointed as independent non-executive director and members of the audit committee and remuneration committee of the Company with effect from 1 May 2009.

Mr Chow, aged 53, has significant experience in accounting and finance and has been an Associate of the Institute of Chartered Accountants in England and Wales since 1983 and an Associate of the Institute of Chartered Accountants in Australia since 1988 and is a member of the Hong Kong Institute of Certified Public Accountants.

Mr. Chow will enter into an appointment letter in respect of his appointment as an independent non-executive Director with the Company for a term of two years commencing from 1 May 2009 which can be terminated by either party by giving not less than three months’ written notice to the other. Pursuant to the Company’s Articles of Association, Mr. Chow is subject to retirement by rotation and re-election at annual general meetings of the Company. Mr. Chow will receive an annual director’s fee of HK\$120,000, which is fixed with reference to the market conditions and his duties and responsibilities with the Company.

Save as disclosed above, Mr. Chow has not previously held any positions with the Company or its subsidiaries and does not have any relationship with any director, senior management, management shareholders, substantial or controlling shareholders of the Company. Mr. Chow has no interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Chow is currently an independent non-executive director of Tian Teck Land Limited (Stock code 266) and Associated International Hotels Limited (Stock code 105), shares of both of which are listed on The Stock Exchange of Hong Kong Limited. Mr. Chow was also a director of Global Beverage Asia Inc. (formerly known as Asia Distribution Solutions Limited) whose securities was listed on The London Stock Exchange AIM Market but he resigned from it as director on 27 November 2008. Save as disclosed above, Mr. Chow did not hold any other directorships in any listed companies in the past three years.

Save as disclosed above, there are no other information in relation to the appointment of Mr. Chow which are required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited and no other matters that need to be brought to the attention of the shareholders of the Company.

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, 30 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.