



CR GAS TO EXPAND INTO FAST-GROWING JIANGNING, NANJING

China Resources Gas Group Limited (“CR Gas” or the “Company”, together with its subsidiaries, the “Group”, stock code: 1193) entered into an agreement with Nanjing City Jiangning District Gas (Group) Company Limited (“Jiangning Gas”) on 9 April 2010 to set up a joint venture (the “Joint Venture”), which will engage in investment, construction and operation of the city piped gas facilities as well as the supply and sale of gas in Jiangning District, Nanjing City, Jiangsu Province of the PRC.

According to the agreement, CR Gas will contribute RMB600 million in cash to the Joint Venture in return for a 49 per cent stake. The other party of the agreement, Jiangning Gas, will contribute cash and assets to the Joint Venture in return for the remaining 51 per cent stake.

Jiangning is economically the most developed among all districts in Nanjing. With over 40 of the world’s top 500 enterprises established in the district, Jiangning has a strong foundation for further industrial development. Natural gas market is expected to grow rapidly in Jiangning after it has been connected to the Sichuan to East Gas Transmission Pipeline since January 2010.

Jiangning Gas is principally engaged in the development, sale and supply of gas related products and the provision of gas-related goods and services in Jiangning District, Nanjing City of the PRC. Jiangning Gas is one of the major gas operators in Nanjing City, with a customer base of 130,000 and an annual gas sales volume of 33 million cubic metres.

CR Gas has been seeking attractive business opportunities in the PRC to expand its city gas distribution business.

“The Group has 9 projects in Jiangsu Province, and surrounding Jiangning district gas project are gas projects in Nanjing, Zhenjiang, Jurong, and Gaochun. Through the joint venture in Jiangning, the Group is able to further enhance its gas distribution network in Jiangsu Province and achieve operational synergy and efficiency in gas supply, management and human resources. It will accelerate the Group’s aspiration to become one of the largest pan-China city gas operators in the PRC,” said Mr Wang Chuandong, Managing Director of CR Gas.

The cash capital contribution of CR Gas will be funded by internal resources of the Company and bank borrowings to be arranged by the Company.

Since January 2009, the Group has been rapidly expanding its market coverage through strategic acquisitions, which provided it with immediate access to new markets and customer base. Through these acquisitions, the Group has now tapped into the downstream city gas distribution

markets of 10 provinces and 30 cities including 6 provincial capitals and 1 direct administrative municipality.

About CR Gas

CR Gas is principally engaged in downstream city gas distribution business including piped natural or petroleum gas distribution, and operating CNG (compressed natural gas) filling stations. Its piped natural gas operations are strategically located in areas of China with rich reserves of natural gas and areas which are economically more developed and densely populated. CR Gas aspires to become a respected market leader in downstream city gas distribution business in China.

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