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China Tian Lun Gas Holdings Limited

中國天倫燃氣控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1600)

VOLUNTARY ANNOUNCEMENT OBTAINING OF EXCLUSIVE OPERATION RIGHTS

Introduction

This announcement is made voluntarily by China Tian Lun Gas Holdings Limited (the “**Company**”) to provide the investors and shareholders of the Company with further information regarding the Company and its subsidiaries (collectively referred to as the “**Group**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 17 March 2011, Hebi Tian Lun New Energy Limited (鶴壁市天倫新能源有限公司) (“**Hebi New Energy**”), a wholly-owned subsidiary of the Company and the Management Committee of the Heqi Industry Assemble Zone of Hebi (鶴壁市鶴淇產業集聚區管理工作委員會) (the “**Committee**”) entered into the concession agreement in relation to operation of natural gas in the Heqi Industry Assemble Zone of Hebi (the “**Concession Agreement**”), pursuant to which Hebi New Energy has been granted the exclusive gas operation rights in the Heqi Industry Assemble Zone of Hebi for a term of 30 years with an option to extend the concession period.

THE CONCESSION AGREEMENT

Date: 17 March 2011

Parties: Hebi New Energy; and
the Committee

The Committee is the competent authority of the local government for granting concession rights in the Heqi Industry Assemble Zone of Hebi. To the best of the knowledge, information and belief of the Board, having made all reasonable enquiries, the Committee is a third party independent of the Company and its subsidiaries, their respective directors, chief executives, substantial shareholders and their respective associates.

Major terms of the Concession Agreement

Under the Concession Agreement:

- (i) the Committee will issue the “operation permit for gas enterprises (燃氣企業經營許可證)” to Hebi New Energy within 30 days after signing of the Concession Agreement;
- (ii) Hebi New Energy will establish a sub-branch in the Heqi Industry Assemble Zone of Hebi within 90 days after signing of the Concession Agreement;
- (iii) the concession rights are for a term of 30 years commencing from 17 March 2011 to 17 March 2041 with the option for Hebi New Energy to apply for an extension of operation within 180 days before the expiry of the concession rights; and
- (iv) Hebi New Energy promised to invest RMB20 million in the Heqi Industry Assemble Zone of Hebi.

Under the Concession Agreement, there are no specific plans, items or assets in which Hebi New Energy is obliged or has undertaken to invest.

REASONS AND PROSPECT

The Heqi Industry Assemble Zone of Hebi is located between the Qibin Development Zone of Hebi, Henan Province and Qi County, with a planned construction area of 25 square kilometers and is positioned as a modernized and industrialized urban area. The Heqi Industry Assemble Zone of Hebi was selected as the first batch of key industry assemble zones open for foreign investment in Henan Province in June 2009, and the first batch of modern industrialized demonstration zones and innovative industry assemble zones in Henan Province in 2010 by the Henan provincial government, and was recognized as one of the first ten innovative industry assemble zones in Henan Province by the Science and Technology Department of the Henan Province (河南省科學技術廳) in January 2011. Leveraging on the strong support from the Henan provincial government and Hebi municipal government and its comprehensive infrastructure facilities, all-round administrative services and clear industrial positioning, the Heqi Industry Assemble Zone of Hebi has emerged as a renowned production base of photovoltaic industry, automobile and relevant components, branded apparel and food processing bases in Central China and a prominent industrial center in Northern Henan after years of development.

The Heqi Industry Assemble Zone of Hebi demonstrates promising economic development prospects for numerous industrial users, and the Directors believe that entering into the Concession Agreement will provide a solid foundation for the Group's development in its gas business in Northern Henan.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Concession Agreement are fair and reasonable and in the interest of the Company and its shareholders as a whole.

By order of the Board
China Tian Lun Gas Holdings Limited
Mr. Zhang Yingcen
Chairman

Hong Kong, 17 March 2011

As at the date of this announcement, the executive Directors are Mr. Zhang Yingcen (Chairman), Mr. Xian Zhenyuan, Mr. Feng Yi and Mr. Sun Heng; the non-executive Director is Mr. Zhang Daoyuan and the independent non-executive Directors are Mr. Chang Zongxian, Mr. Li Liuqing, Mr. Zhang Jiaming and Ms. Zhao Jun.