

7 August 2009

**GREEN DRAGON GAS LTD.**  
("Green Dragon" or the "Company")

**Convertible note**

Green Dragon Gas Ltd. (AIM: GDG), the vertically integrated Chinese gas business, announces that it has agreed a further extension of the put option date with the holder of a convertible note in the Company. As set out in the Company's recently published annual report, the Company had agreed to repay the noteholder the remaining outstanding principal and interest of US\$10.6 million on 3 August 2009. The Company has now agreed with the noteholder that the convertible note will be repaid in full on 1 September 2009 in an amount of US\$11.1 million, plus accrued interest, and that the noteholder will be paid a fee and will be provided with security over certain of the Company's assets.

**For further information on the Company and its activities, please refer to the website at [www.greendragongas.com](http://www.greendragongas.com) or contact:**

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