

19 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, further to the announcement made on 7 August 2009 of an agreement with the holder of a convertible note in the Company, it has now repaid in full the amount due of US\$11.1 million to the noteholder plus accrued interest and the note has accordingly been cancelled.

For further information on the Company and its activities, please refer to the website at www.greendragongas.com or contact:

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