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KING STONE ENERGY GROUP LIMITED

金山能源集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00663)

APPOINTMENT OF NON-EXECUTIVE DIRECTORS

The board (the “Board”) of directors (the “Directors”) of King Stone Energy Group Limited (the “Company”) hereby announces that in furtherance of the Strategic Cooperation Agreement dated 26 April 2011 entered into between the Company and CITIC Trust Co., Ltd. (“CITIC Trust”), Mr. Li Feng (“Mr. Li”) and Mr. Wang Daoyuan (“Mr. Wang”) have been appointed as non-executive Directors of the Company with effect from 25 August 2011.

Mr. Li Feng, aged 37, holds a Bachelor Degree in Biochemistry from the Wuhan University. Mr. Li has worked in CITIC group for over 15 years and is vastly experienced in corporate management, financing and mergers and acquisitions. He is currently the Vice President of CITIC Trust and the general manager of Innovation and Research Department of CITIC Trust. He has also been a member of the Board of Supervisory of CITIC Trust since March 2009. Mr. Li is also the Vice President of China International Economic Consultants Co., Ltd.

Mr. Wang Daoyuan, aged 42, holds a Bachelor Degree in Economics from Northern (Beijing) Jiaotong University and a Master Degree in Business Administration from Beijing University. He possesses over 19 years of experience in accounting, business, financing and mergers and acquisitions. He joined CITIC group in 1995 and is currently the Executive Vice President, the secretary to the board and the chairman of audit committee of CITIC Trust. Mr. Wang is a member of Chinese Institute of Certified Public Accountant.

There is no service agreement nor any fixed terms of service entered into between Mr. Li and Mr. Wang and the Company. The remuneration of Mr. Li and Mr. Wang will be determined by the Board subsequently which will be on the basis of prevailing market conditions and their positions and duties. They are subject to retirement and re-election at the next annual general meeting of the Company in accordance with the articles of association of the Company.

Mr. Li and Mr. Wang have not been a director of any other public listed company during the three years preceding the date of appointment. Save as disclosed above, (i) Mr. Li and Mr. Wang did not hold any position with the Group; (ii) Mr. Li and Mr. Wang did not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance as at the date of this announcement; (iii) Mr. Li and Mr. Wang did not have any relationship with any Directors, senior management and substantial shareholders (as defined under the Rules (“Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) or controlling shareholders (as defined in the Listing Rules) of the Company; and (iv) there are no more information relating to the appointment of Mr. Li and Mr. Wang that needs to be disclosed pursuant to any requirements of Rules 13.51(2)(h) to (v) of the Listing Rules, and there are also no other matters that need to be brought to the attention of the shareholders of the Company.

The Board would like to take this opportunity to extend its warmest welcome to Mr. Li and Mr. Wang for joining the Company.

By Order of the Board
King Stone Energy Group Limited
Wang Da Yong
Chairman

Hong Kong, 25 August 2011

As at the date of this announcement, the executive Directors are Mr. Wang Da Yong, Mr. Tian Wenwei and Mr. Wang Tongtian and the non-executive Directors are Mr. Li Yi, Mr. Su Bin, Mr. Li Feng and Mr. Wang Daoyuan and the independent non-executive Directors are Mr. Jacobsen William Keith, Mr. Cao Kuangyu and Mr. Chiu Sui Keung.