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**KAISUN ENERGY GROUP LIMITED**  
**凱順能源集團有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

(Stock code: 8203)

**FULL CONVERSION OF EXISTING BONDS**

The Company announced that as at 7 September 2009, the conversion right attached to the remaining Existing Bonds in an aggregate outstanding principal amount of HK\$340,000,000 has been fully exercised.

An aggregate number of 770 million Shares have been issued pursuant to terms and conditions of the Existing Bonds upon the full exercise of the attached conversion rights.

The aggregate Due Conversion Cap Payments payable by the Company upon conversion of the Existing Bond has been satisfied by the issuance of the Replacement Bond of an aggregate principal amount of HK\$426,680,000 in accordance with the Variation Agreement.

All the Shares in respect of the conversion of the Existing Bonds have been issued in full on 9 September 2009. As at the date of this announcement, the total issued share capital of the Company is 1,781,620,000 Shares.

Reference is made to the circular of the Company dated 17 August 2009 (the “**Circular**”). Unless the context herein otherwise requires, capitalized terms used in this announcement shall have the same meanings as ascribed to it in the Circular.

**CONVERSION OF THE EXISTING BONDS**

As disclosed in the Circular, (i) the aggregate principal amount of the Existing Bonds being issued was HK\$770 million; (ii) on 26 June and 2 July 2009, the Bondholders exercised the conversion right attached to the Existing Bonds in the aggregate principal amount of HK\$430 million; and (iii) the aggregate outstanding principal amount of the Existing Bonds in respect of which no conversion right has been exercised is HK\$340 million.

The Company announced that as at 7 September 2009, the conversion right attached to the remaining Existing Bonds in an aggregate outstanding principal amount of HK\$340 million has been fully exercised.

\* *for identification purpose only*

An aggregate number of 770 million Shares have been issued pursuant to terms and conditions of the Existing Bonds upon the full exercise of the attached conversion rights.

The aggregate Due Conversion Cap Payments payable by the Company upon conversion of the Existing Bond has been satisfied by the issuance of the Replacement Bond of an aggregate principal amount of HK\$426,680,000 in accordance with the Variation Agreement. The principal terms of the Replacement Bonds has been disclosed in the Circular.

All the Shares in respect of the conversion of the Existing Bonds have been issued in full on 9 September 2009. As at the date of this announcement, the total issued share capital of the Company is 1,781,620,000 Shares.

By Order of the Board  
**Kaisun Energy Group Limited**  
**CHAN Nap Kee, Joseph**  
*Chairman*

Hong Kong, 10 September 2009

*As of the date of this announcement, the executive Directors are Mr. Chan Nap Kee Joseph, Mr. Yeap Soon P Jonathan, Dr. Chow Pok Yu Augustine, Mr. Yang Geyan and Mr. Yang Yongcheng. The independent non-executive Directors are Mr. Liew Swee Yean, Mr. Siu Siu Ling Robert, Dr. Wong Yun Kuen and Mr. Anderson Brian Ralph.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:– (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its publication.*