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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)

### **PROGRESS OF PROPOSED ACQUISITION OF INTEREST IN NOBEL HOLDINGS INVESTMENTS LTD**

The Board wishes to announce that, based on the information provided by the Target, since signing of the MOU in October 2009, the Target has acquired four oilfields in addition to its three existing producing oil fields.

As at the date of this announcement, no formal agreement in relation to the Proposed Acquisition has been entered into and the Proposed Acquisition may or may not proceed. **Shareholders of the Company and potential investors are advised to exercise caution when making any decision related to dealing in the shares of the Company.**

Reference is made to the announcement of Kaisun Energy Group Limited (the “Company”) dated 15 October 2009 (the “Announcement”) in relation to the Proposed Acquisition by the Company of the entire issued share capital in Nobel Holdings Investments Ltd (the “Target”) and the entering into of the MOU which sets out the basic terms and conditions for such acquisition. Terms defined in the Announcement shall have the same meaning when used herein unless the context requires otherwise.

The Board is pleased to provide an update on the current status of the Proposed Acquisition and the Target.

Since signing of the MOU, the Target has acquired four oilfields in Russia in addition to its three existing producing oil fields (Severo-Kostyukskoye and Yuzhno-Oshskoye oilfields, as well as an oilfield in Osokinskyaya area of the Timano-Pechorsky oil and gas region in Komi Republic). According to the report prepared by an international technical adviser in June 2009, the existing three oilfields have a total 2P (proven reserve + probable reserve) of 100 million barrels. According to the Target, the total production in 2008 was 5.3 million barrels.

Three of the four newly acquired oilfields are located in Western Siberia and one is located in the Komi Republic. According to the Target, the total reserve of the four newly acquired oilfields under Russian standard is around 317 million barrels. The Target has engaged an international oil and gas technical company to work on the development and production plan of the four newly acquired oilfields.

The Target has appointed two international investment banks as joint financial advisors and an internationally renowned law firm as legal advisor. The Target has also arranged an international accounting firm as auditor to prepare the audited financial statements of the Target under the Hong Kong Financial Reporting Standards.

Since signing of the MOU, the Target and the Company have been working closely together with their advisors on the legal, financial and technical aspects of the Proposed Acquisition during the due diligence exercise. Further announcement(s) will be made if and when definitive documentation regulating the Proposed Acquisition has been entered into by the parties. The consideration payable for the Proposed Acquisition is intended to be satisfied by payment of cash and issue of new Shares, the details of which have not been determined. Should the Proposed Acquisition proceed to completion, it is expected that the business of oil and gas exploration and production in Russia would become the principal business activities of the Group.

Due to the acquisition of addition oil fields in Russia by the Target as disclosed above, the Proposed Acquisition has not proceeded to completion in January 2010 as initially expected by the Company. As at the date of this announcement, no formal agreement in relation to the Proposed Acquisition has been entered into and the Proposed Acquisition may or may not proceed. **Shareholders of the Company and potential investors are advised to exercise caution when making any decision related to dealing in the shares of the Company.**

By order of the Board  
**Kaisun Energy Group Limited**  
**Dr. Chow Pok Yu Augustine**  
*Executive Director*

Hong Kong, 28 January 2010

*As of the date of this announcement, the executive Directors of Kaisun Energy Group Limited are Mr. Chan Nap Kee Joseph, Mr. Yeap Soon P Jonathan, Dr. Chow Pok Yu Augustine, Mr. Yang Geyan and Mr. Yang Yongcheng and 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 of Kaisun Energy Group Limited 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.*

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*\* for identification purpose only*