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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)

ANNOUNCEMENT POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules. The Board wishes to inform the shareholders of the Company and potential investors that the results of the Group for the year ended 31 March 2010 is expected to record a significant increase in the profit based on assessment of the current unaudited financial information available.

Shareholders of the Company and potential investors are advised to exercise caution in dealing in the shares of the Company.

This announcement is made by Kaisun Energy Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rule Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that it expects the results of the Group for the year ended 31 March 2010 to record a significant increase in the profit. Such expected increase is mainly contributed by the completion (the “**Completion**”) of the acquisition of the 21% equity in Inner Mongolia Mengxi Minerals Limited, upon which, the Company has to measure the fair value of the Mining Project acquired in a business combination in accordance with Hong Kong Financial Reporting Standard 3 (HKFRS 3-Business Combination). The valuation of the Mining Project of Inner Mongolia Mengxi Minerals Limited has been valued by an Independent Valuer and the excess of the Group’s share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition of a subsidiary was accounted for in the business combination. Reference is made to the Company’s announcement dated 15 December 2009 regarding the Completion. Although the expected increase in the profit does not create a positive impact in the cash flow, it improves the asset valuation of the Group. Its financial effect was already discussed in the Company’s announcement titled “Voluntary announcement regarding positive profit alert for the nine months ended 31 December 2009” dated 10 February 2010.

Information contained herein represents a preliminary assessment by the management of the Company based on the unaudited Management Accounts of the Group for the year ended 31 March 2010. Further details of the Group's financial information for the year ended 31 March 2010 will be disclosed in the annual results of the Group, which is expected to be published on 7 June 2010.

Shareholders of the Company and potential investors are advised to exercise caution in dealing in shares of the Company.

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

Hong Kong, 28 May 2010

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.