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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)

APPOINTMENT OF EXECUTIVE DIRECTOR AND CHIEF OPERATING OFFICER AND CHANGES IN IMPORTANT EXECUTIVE FUNCTIONS AND RESPONSIBILITIES

The Board announces the appointment of Executive Director and Chief Operating Officer and changes in important executive functions and responsibilities as follows:

- (i) the appointment of Mr. Li Hong as Executive Director and Chief Operating Officer of the Company with effect from 3 September 2010. From 16 August 2010 onwards, he is the Director and Chief Executive Officer of Inner Mongolia Mengxi Minerals Limited (“Mengxi Minerals”), and Mr. Han Wen Zhan is the General Manager of Mengxi Minerals.
- (ii) the resignation of Mr. Tan Bob Leng Chooi as Chief Operating Officer of the Company with effect from 3 September 2010, and all other positions with the Company’s subsidiaries.

Mengxi Minerals is a Sino-foreign joint venture company set up to own and operate a coking coal mine, and is 70% indirectly owned by the Company.

APPOINTMENT OF MR. LI HONG AS EXECUTIVE DIRECTOR AND CHIEF OPERATING OFFICER OF THE COMPANY

The board (“**Board**”) of directors (each a “**Director**”) of Kaisun Energy Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce the appointment of Mr. Li Hong (“**Mr. Li**”) as Executive Director and Chief Operating Officer of the Company with effect from 3 September 2010.

Mr. Li Hong, aged 47, joined the Group in July 2009 as the Vice Operation Director of China District of the Group, and took up the role of General Manager of Mengxi Minerals since October 2009. In order to raise effectiveness in site operation and administration, effective on 16 August 2010, Mr. Li has been appointed as the Director and the Chief Executive Officer of Mengxi Minerals, and his previous role as the General Manager of Mengxi Minerals was taken up by Mr. Han Wen Zhan.

Mr. Li holds a graduate degree in economics of Guangdong Academy of Social Sciences of the People's Republic of China. He has over 20 years of solid experience in financial and administrative management of various industries.

There is no service contract entered into between the Company and Mr. Li in respect of his appointment as the Executive Director and Chief Operating Officer. There is no proposed length of service with Mr. Li and he is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the articles of association of the Company ("Articles"). He will be entitled to an annual director fee of RMB350,000 (equivalent to approximately HK\$399,525), which was determined by the remuneration committee of the Company with reference to his duties and responsibilities within the Group, the Company's remuneration policy and the prevailing market condition.

As at the date of this announcement, Mr. Li was interested in share options of the Company with the right to subscribe for 3,000,000 shares at an exercise price of HK\$1.184 each, representing approximately 0.14% of the issued share capital of the Company. Save as disclosed above, (i) Mr. Li has not held any other directorships in listed public companies in the last three years; (ii) Mr. Li does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company; (iii) Mr. Li does not have any interest in the listed securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance; and (iv) there is no information relating to Mr. Li that is required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules and there is no other matter in relation to Mr. Li's appointment that needs to be brought to the attention of the shareholders of the Company.

The Board takes this opportunity to welcome Mr. Li to join the Board of the Company.

APPOINTMENT OF HAN WEN ZHAN AS GENERAL MANAGER OF MENGXI MINERALS

From 16 August 2010 onwards, Mr. Han Wen Zhan ("Mr. Han") is the General Manager of Mengxi Minerals. He joined Mengxi Minerals as a Deputy General Manager in October 2008. Mr. Han, aged 53, holds a certificate in Economics and Management from the Correspondence School of the Central Committee of the Communist Party. He is an Assistant to the Coal Quality Engineer as well as a Political Engineer in the PRC, holding the qualification certificate of mine manager. He has served as a mining leader, Chief of Coal Quality Division, and Deputy Manager of Laoshidan Mine of Mining Bureau of Haibo Bay, Inner Mongolia, the President of the Staff Union of Mengxi Cement Co. Ltd., and a Safety Manger and a Deputy General Manager of Mengxi Coal Limited. He has 30 years of working experience in coal mining and coal quality management.

Other than the employment contract entered into between the Company's subsidiaries and Mr. Han, no service contract has been entered into between Mr. Han and the Company.

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RESIGNATION OF CHIEF OPERATING OFFICER OF THE COMPANY

The Board announces that Mr. Tan Bob Leng Chooi (“Mr. Tan”) resigned as Chief Operating Officer of the Company with effect from 3 September 2010 and all other positions with the Company’s subsidiaries due to his personal reasons.

Mr. Tan has confirmed that he has no disagreement with the Board and there are no other matters relating to his resignation that needs to be brought to the attention of the shareholders of the Company.

The Board would like to take this opportunity to express its gratitude to Mr. Tan for his valuable contribution to the Company and the Board during his tenure of office.

By order of the Board
Kaisun Energy Group Limited
Chan Nap Kee, Joseph
Chairman

Hong Kong, 3 September, 2010

The English names of the companies established and other institutes in the PRC in this announcement are for identification purposes only. In case of inconsistency, the Chinese names prevail.

In this announcement, RMB has been converted into HK\$ at the rate of RMB1=HK\$1.1415 for illustration purpose only. No representation is made that any amounts in RMB or HK\$ have been, could have been or could be converted at the above rate or at any other rates or at all.

The English text of this announcement shall prevail over the Chinese text in case of inconsistencies.

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 Yongcheng and Mr. Li Hong. 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 or deceptive; (2) there are no other matters the omission of which would make any statement in this announcement misleading or deceptive.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication and on the Company's website at www.8203.com.hk.

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