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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)

EARLY REDEMPTION OF THE 3.75% CONVERTIBLE BONDS DUE 2013

On 28 September, 2012, the Company exercised its right to early redeem the Replacement Bonds in the aggregate principal amount of HK\$108,830,000, representing half of the total outstanding principal amount of the Replacement Bonds, saving future interest cost for the Company .

Reference is made to the announcement of Kaisun Energy Group Limited (the “**Company**”) dated 30 August 2012 in relation to the proposed amendments to the terms and conditions of the Replacement Bonds (the “**Announcement**”). Unless otherwise stated, all capitalised terms used in this announcement shall have the same meaning as defined in the Announcement.

The Amendment Deed became unconditional with all conditions precedent fulfilled including approval from the Stock Exchange. On 28 September 2012, the Company exercised its right to early redeem the Replacement Bonds held by the Bondholders in accordance with the terms and conditions of the Replacement Bonds, in the aggregate principal amount of HK\$108,830,000, representing half of the total outstanding principal amount of the Replacement Bonds (the “**RB Redemption**”). The Company will issue an announcement upon completion of redemption of all remaining outstanding Replacement Bonds.

The consideration of approximately HK\$121,880,067 for the RB Redemption was satisfied by cash generated from part of the sale proceeds from the Group’s disposal of 70% of the equity interest in Inner Mongolia Mengxi Minerals Co., Ltd., as set out in the circular of the Company dated 6 October 2011.

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

Hong Kong, 28 September 2012

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, Dr. Chow Pok Yu Augustine 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 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.kaisunenergy.com.