

Kaisun Energy Proactively Expands Coal Business Proposes to Acquire a Coal Mining Company in Central Asia

(Hong Kong, 12 November 2010) — Kaisun Energy Group Limited is pleased to announce that on 11 November 2010, the Company and Saddleback Corporation Limited (“Vendor”) entered into the Term Sheet at the consideration of US\$39,274,194, through a combination of cash and shares, for the Proposed Acquisition of the entire issued share capital of Saddleback Mining Limited (the “Target”). Saddleback Mining Limited is primarily engaged in coal mining and exploration in regions of Central Asia.

Mr. Joseph Chan, Chairman of Kaisun Energy, said, “Our new arrangement with Saddleback is a milestone for Kaisun. Now that we have successfully repositioned the Group as **a producer, we can focus on expansion**. We have strong core operations at our integrated coal mining operation in China which began production this year, and, we are confident we can replicate our success with proposed acquired assets.”

The company under consideration owns a coking coal mine and an anthracite mine in close proximity to Xiinjiang and sits the ancient silk road, targeted as the PRC government’s next major development project. Demand for coal is expected to be robust in anticipation of Xinjiang’s infrastructure development.

The cost of investment in China’s neighboring countries is far lower than that in China. Furthermore, we can access well developed transport infrastructure delivering products- to China for further processing. Meanwhile, we will continue to explore appropriate investment opportunities in the energy and resources sector and further strengthen our status as an integrated energy company.

Kaisun Energy intends to carry out a due diligence review in the legal, financial and business aspects of the Target and its subsidiaries. Upon completion by the Company of such due diligence review, the Company and the Vendor will be in the position to enter a formal sale and purchase agreement in relation to the Proposed Acquisition. The detailed terms and conditions of Proposed Acquisition will be negotiated between the Company and the Vendor.

Details of the announcement and terms can be found under “Announcements” Section of our website.