



KAISUN ENERGY GROUP LIMITED

凱順能源集團有限公司*

Annual results Dec 2010: Increase in Coal Resource, Gain in Exchange Differences, Reduction in non recurrent loss

Kaisun Energy Group Limited [“Kaisun Energy” or “the Company”, together with its subsidiaries, collectively “the Group” (stock code : 8203)] announces today annual 2010 results for the period ended 31 December 2010.

Turnover of the Group for the nine months ended 31 December 2010 (the “Period”) from continuing and discontinued operations amounted to approximately HK\$59.6 million. Compared to last year, the significant increase in turnover in continuing operations represents mainly the increase in turnover generated from the sale of coal.

The Group recorded total comprehensive income for the Period of approximately HK\$44.35 million. During the Period, the Group recorded exchange differences of translating foreign operations of approximately HK\$72.6 million, which offset the loss for the Period of approximately HK\$(28.2) million.

Following completion of all disposals of non core business on 30 June 2010, Kaisun Energy is now a truly single focus mining company.

Increase of Coal Resource

In December 2010, geological drilling work was conducted by a team of mining consultants on mining areas. Based on their verification works of JORC standards of estimation and their exploration works, the Inner Mongolian Kulihuoshatu Coal Mine is estimated to have a total resource of approximately 130.85 million tonnes, an increase of approximately 32% from the previously estimated total resource of approximately 99.6 million tonnes (note: PRC coal resource standard).

Cooperation Agreement with Xinjiang Bureau

On 21 January, 2011, the Company and Xinjiang Uygur Autonomous Region Coal Geology Bureau (“Xinjiang Coal Bureau”)(新疆維吾爾自治區煤田地質局) entered into a 3 year

strategic cooperation framework agreement (the “Cooperation Agreement”) which enables the parties to develop a close and strategic cooperation relationship to explore the coal mining industry.

Leveraging Kaisun’s proven operating model and Xingjian Bureau’s expertise in exploration, the partnership will cooperatively explore and develop mining resources both in and outside China. Details of the Cooperation Agreement were disclosed in the Company’s announcement dated 21 January, 2011.

Mengxi Minerals completed construction of Office Building and Staff Quarter

During the reporting period, Mengxi Minerals had attained a milestone on completion of the construction of its Office Building and Staff Quarter. On 13 October 2010, a ceremony celebrating the completion of construction of the Office Building and Staff Quarter of Mengxi Minerals was held. As a respected company in Inner Mongolia, over 100 attendees comprising important local officials from Inner Mongolia Government Departments and business partners attended this ceremony.

The successful completion of construction of these two buildings reflected that Mengxi Minerals is proceeding well on its implementation of constructing the planned infrastructure. This in turn reflects Kaisun Energy’s successful effort to steer our controlling subsidiary into a producing operation.

Prospects

A coal industry outlook for the year 2011 published by an investment bank continues to be optimistic. Implementation of economic revitalization programs in China will provide the coal industry with a boost upwards from the emission reduction pressure which hampered the industry output during the second half of year 2010. Supply and demand are projected to be “balanced or tight” in China due to industrial growth and a “higher than expected increase in the market price of coal”. A reliable indicator for the China market is Australian and Japanese coking coal which has been projected at USD225 per tonne in 2011.

Details of the results announcement can be found at “<http://www.kaisunenergy.com>” under “Announcements” section.