

The logo for Kaisun Energy Group Limited, consisting of the letters 'KEG' in white on a red square background.

KAISUN ENERGY GROUP LIMITED

凱順能源集團有限公司*

Kaisun Energy Group signs Letter of Intent with Xinjiang Coal Bureau, with intention to jointly develop coal mines in Tajikistan

The board (the “Board”) of the directors (the “Directors”) of Kaisun Energy Group Limited (“Kaisun Energy”) is pleased to announce that on 14 November, 2011, our 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) have entered into a Letter of Intent (the “Cooperation Agreement”) pursuant to which the parties, will cooperate with each other to carry out exploration, exploitation, etc. of coal mines in Tajikistan.



Pic: Kaisun Chairman Joseph Chan Nap Kee (Right) and Xinjiang Coal Bureau President He Shenwei

Xinjiang Coal Bureau agreed during preliminary period to send its technical experts to the three mines owned by Saddleback Mining Limited (“Saddleback”), which is wholly owned by Kaisun Energy, to conduct site visit, take samples and draft exploration program, which provide the basis of the geological exploration of the mines in Tajikistan for the future.

Xinjiang Coal Bureau intends to jointly develop Saddleback’s mines. Xinjiang Coal Bureau can own equity interest in Saddleback by providing cash, exploration services or plant and machinery in return.

Leveraging Kaisun’s proven operating model and Xinjiang Coal Bureau’s expertise in exploration, both parties will cooperate to explore and develop mining resources.

Mr. Joseph Chan Nap Kee, Chairman of Kaisun Energy, said, “The technical team of Xinjiang Coal Bureau have worked on a large amount of coal geology projects and amassed wide geological information and geological exploration results, and brings to the table over 55 years of mining history in the region. This joint development will accelerate our coal extraction in the mines, and strengthen our competencies in the Tajikistan project regarding our overall capabilities in terms of technical expertise, equipments and professional’s contribution.”

“During the meeting between Chinese Premier Wen Jiabao with Tajikistan Prime Minister Akil Akilov attending the 10th Meeting of the Prime Minister of the Member States of the Shanghai Cooperation Organization (SCO), in Russia on Nov 7, 2011, Wen highly valued the mutual cooperation between the two countries, saying that it has brought real benefits to the two peoples. Akilov hailed the mutually beneficial cooperation, stressing that to develop relations with China has been always a priority of Tajik foreign policy. Tajikistan is willing to closely coordinate with China to

implement consensus reached by the two countries' leaders in a bid to bring more benefits to the two peoples.”

(note: http://news.xinhuanet.com/english2010/china/2011-11/07/c_131233449.htm)

Under the recent backdrop of the two countries deepening bilateral cooperation, an optimistic prospect for Kaisun is envisaged.

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

About Xinjiang Uygur Autonomous Region Coal Geology Bureau

Xinjiang Uygur Autonomous Region Coal Geology Bureau was established in 1956 and is Xinjiang Uyghur Autonomous Region's professional geological exploration unit. The Bureau operates the 156 coal geology exploration team and the 161 coal geology exploration team, a comprehensive geologic survey team, a coal research centre, a comprehensive coal survey centre, a coal geology information centre, a comprehensive laboratory, a coal-bed methane (CBM) research and development centre, a CBM testing centre and the Bureau's service centre etc. which totals about 10 geology exploration and research units. Xinjiang Bureau achieved remarkable results in areas of coal geology survey, geophysical exploration, CBM survey and evaluation, surveying & mapping, coal research, chemical processing of coal, coal quality evaluation and analysis, The Bureau had discovered 1.82 trillion tonnes of potential shallow coal reserve up to 2000m depth in 3 coal field reserve test in Xinjiang Uygur Autonomous Region.

About Kaisun Energy Group Limited

Kaisun Energy Group Limited principally engages in the business of mining, processing and sale of coal. Saddleback Mining Limited (“Saddleback”) is a wholly owned subsidiary of Kaisun Energy, and own mining rights and interests in three mines in Tajikistan, including the Nazar-Aylok anthracite deposit, the Ziddi coal deposit and the Mienadu coal deposit.