



## **KAISUN ENERGY GROUP LIMITED**

**凱順能源集團有限公司\***

### **Kaisun Energy Group signs 3 Letter of Intents with Laiwu Xinjiang, Fujian Group and Hao Tian to establish sale and purchase relationship, and develop coal mines in Tajikistan**

The board (the “Board”) of the directors (the “Directors”) of Kaisun Energy Group Limited (the “Company”) is pleased to announce that on 31 March, 2012, the Company and

1. Laiwu iron and steel company Xinjiang branch (“Laiwu Xinjiang”)
2. Fujian Footwear & Headgear Import & Export Group Corporation (“Fujian Group”)
3. Hao Tian Resources Group Limited (“Hao Tian”)

According to the Letter of Intents, Kaisun Energy will supply anthracite and coking coal according to the production requirement of Laiwu Xinjiang. Laiwu Xinjiang will purchase annually from Kaisun Energy a certain quantity of anthracite and coking coal, the quantity required and price will be negotiated in view of Laiwu Xinjiang’s production requirement and market price. Kaisun Energy will supply anthracite and coking to Fujian group and Hao Tian, the quantity required and price will be negotiated in view of market condition and market price.

In addition, Laiwu Xinjiang intends to invest in establishing Storage Yard, and set up transport company in China to handle transport of coal business. Laiwu Xinjiang intends to own equity interest in Saddleback Mining Limited, a wholly owned subsidiary of Kaisun Energy, by using cash or the intended investment in Storage Yard as stated in ii.

Mr. Joseph Chan, Chairman of Kaisun Energy, said “We are pleased with the signing Letter of Intents based on utilizing the competences and resources of Kaisun Energy and our partners.

Laiwu Steel is number 31 of Chinese top 500 companies in the manufacturing sector. Laiwu Xinjiang is a subsidiary of Laiwu Steel handling development in Xinjiang. Laiwu Steel development in Xinjiang complements well with Kaisun Energy’s strategy of development in Xinjiang. Its large demand in coal provides a ready opportunity to take up Kaisun Energy’s coal supply upon cooperation by both parties.

Being the largest state-owned enterprise under Fujian Provincial Department of Foreign Trade and Economic Cooperation, Fujian Group has already expanded its business into selling minerals in the recent one and two years, with its turnover in business of selling minerals reaching RMB 1.93 billion. The existing distribution network of its minerals products will provide a useful network for distributing Kaisun Energy’s coal upon cooperation by both parties.

With similar direction of development, it is envisaged new development can be reached upon further cooperation by Kaisun Energy and our partners.”

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

#### **About Kaisun Energy**

Kaisun Energy Group Limited is an investment holding company listed on the Growth Enterprise Market (“GEM”) board of the Hong Kong Stock Exchange of Hong Kong Limited (“Stock Exchange”) (stock code: 8203). Currently, its main investment is Saddleback Mining Limited 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. It also engages in the business of mining, processing and sale of coal.