



KAISUN ENERGY GROUP LIMITED

凱順能源集團有限公司*

(Stock Code: 8203)

Memorandum of Understanding in respect of Proposed Disposal of the Company's interest of Kaftar Hona Deposit in Tajikistan

The board (the "Board") of the directors (the "Directors") of Kaisun Energy Group Limited (the "Company") is pleased to announce that on 5 July, 2012, the Vendor, the Company and the Purchaser, Up Energy Development Limited ("Up Energy"), entered into a non – binding MOU which sets out the basic terms and conditions for the Proposed Disposal by the Company of its entire 52% equity interest in Kamarob, at the consideration of HK\$394,648,800, and on further terms and conditions to be agreed.

Kamarob is the holder of the relevant licenses to conduct geological exploration and coal mining in Kafta Hona anthracite deposit in Tajikistan.

Under the MOU, half of the consideration (being HK\$197,324,400) will be paid in cash and the other half will be satisfied by the issue and allotment of the Consideration Shares by the Purchaser credited as fully paid. The Purchaser was granted the exclusivity right to negotiate with the Company the detailed terms and conditions of the Proposed Disposal.

The Purchaser for the Proposed Disposal, Up Energy, is listed on the Main Board of the Stock Exchange (stock code 307). It is the largest non-state owned coking coal operator in Xinjiang, and owns 3 mines.

Mr. Joseph Chan, Chairman of Kaisun Energy, said "We are pleased with the signing MOU under which both parties can negotiate on the Sale and Purchase Agreement (SPA). As Xinjiang and Tajikistan are in close proximity to each other, the Proposed Disposal will utilize competences and resources of both Kaisun Energy and that of our purchaser, resulting in win-win and good prospects for both parties."

Details of the announcement can be found in the related announcement dated 5 July, 2012 on "<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 Kaftar Hona anthracite deposit, the Zeddi coal deposit and the Mienadu coal deposit. It also engages in the business of mining, processing and sale of coal.