



KEG

KAISUN ENERGY GROUP LIMITED

凱順能源集團有限公司*

Kaisun Energy Group partners with China exploration bureau, Xinjiang Coal Bureau, to pursue mining opportunities in China and Central Asia.

The board (the “Board”) of the directors (the “Directors”) of Kaisun Energy Group Limited (“Kaisun Energy”) is pleased to announce that 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) have entered into a 3 year strategic cooperation framework agreement (the “Cooperation Agreement”) pursuant to which the parties, in order to develop a close and strategic cooperation relationship to explore the coal mining industry, the parties will sufficiently cooperate with each other.

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.

Mr. Joseph Chan, Chairman of Kaisun Energy, said, “Our new partnership with Xinjiang Coal Bureau brings to the table over 55 years of mining history in the region. We have a great respect for our partner’s legacy in China, and we are both very excited about opportunities in Central Asia and in China. We are already expanding in Central Asia and Inner-Mongolia, successfully implementing our integrated coal production model. Xinjiang’s Coal Bureau’s network and history in the region will be vital in our expansion plans.”

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 Uygur 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 shallowcoal 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. The Group currently owns a 70% interest in Inner Mongolia Mengxi Minerals Limited, a Sino-foreign joint venture company set up to own and to operate a coking coal mine with 99.6 million tonnes of reserve (based on the estimation under the PRC coal reserves standard).