



**Fushan Energy Signed Two Clean Coking Coal Sales Contracts
With Two Leading Iron & Steel Manufacturers
Broaden Premium Client Base and
Increase Coking Coal Business Income Source**

(October 20, 2008 – Hong Kong) **Fushan International Energy Group Limited**, the second largest hard coking coal producer in China, (“Fushan Energy” or the “Company”, together with its subsidiaries are collectively referred to as the “Group”; Stock code: 639.HK) is pleased to announce that the Company has signed two new clean coking coal sales agreements with two of the top 10 iron and steel manufacturers in China on 31 July 2008 and 15 October 2008, respectively.

The first sales agreement has been effective on 1 September 2008 that Fushan Energy started providing 15,000 tons of clean coking coal with the CIF unit price at RMB2,500 per ton (value-added taxes included) onwards; while the second sales agreement has been effective on 15 October 2008 with the total amount of 30,000 tons at the CIF unit price of RMB 2,250 per ton (value-added taxes included).

Mr. Wong Lik Ping, the Chairman of Fushan Energy commented, “Subsequent to our long-term strategic partnership established with Shougang Corporation in July, one of the largest iron and steel producers in China, we are very pleased to have new alliances with other two iron and steel manufacturers which are among the top 10 in China. It definitely helps broadening our premium client base and strengthening our income source with our unique quality of our clean coking coke, so as to increase turnover and improve gross margins for the Group.

“As the average price of clean coking coal per ton has been increased since last year from RMB 636 per ton and RMB 984 per ton in the first seven months of this year, respectively, we are in the favor position with the signed sales agreements that is expected to have certain premium contributing to our group. In regard to the new government policy, any coal mining sites with its annual production less than 300,000 tons will be closed by 2010, which is accounted for 2501 small scale sites. The reduced supply will provide a premium market environment.”

Mr. Wong Lik Ping purchased a total 7,616,000 shares of Fushan Energy with an average price of HK\$3.756 per share in the period between 7 August 2008 and 16 October 2008. Mr. Wong has never sold his shareholdings of Fushan Energy during his tenure since 2001.

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About Fushan International Energy Group Limited

Fushan Energy is principally engaged in the production and sales of coking coal and related side products. It is the second largest hard coking coal producer in China in terms of production capacity and has three coal mines in Liulin County, Shanxi Province. The current combined production capacity of the three coal mines is 6.3 million tons of raw coal per annum. According to the technical review report of John T. Boyd Company based on the standard of JORC, the total recoverable reserves of the three coal mines was 142.4 million tons as at the end of 2007, comprised with mainly hard and semi-hard coking coal. The Group currently owns a coal preparation plant in Shanxi Province. The first phase of the coking plant in Shanxi Province has already commenced production since July 2008. Besides, the Group is constructing three new coal preparation plants to increase the total annual production capacity of clean coal to 8.1 million tons. They are expected to commence production in the first and third quarter of 2009 respectively.

The press release is distributed by Wonderful Sky Financial Group on behalf of Fushan International Energy Group Limited.

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