

For Immediate Release

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Fushan International Energy Group Limited

Proposed Acquisition of Chonghou Energy Resources Limited To expand fat coal resources in Inner Mongolia and hard coking coal resources in Shanxi

(22 October 2009, Hong Kong) Fushan International Energy Group Limited (“Fushan Energy” or “the Group”; Stock Code: 639.HK), the second largest hard coking coal producer in the PRC, is pleased to announce that Maxease Limited, a wholly-owned subsidiary of the Group, entered into the Acquisition Framework Agreement with Asset Rich International Limited on 22 October 2009. According to the agreement, Maxease Limited will acquire the entire issued share capital of Chonghou Energy Resources Limited (“Chonghou Energy”) with expected consideration of not more than HK\$ 1 billion. The parties will make efforts to enter into the Formal Agreement on or before 31 January 2010.

Chonghou Energy holds 60% interest in Inner Mongolia Qipanjing Mining Company Limited (“Qipanjing Mining”), which principally engages in coking coal mining, production and sales of both raw and clean coking coal (including fat coal) in the PRC. It has three mines with aggregate annual production capacity of 1.8 million tonnes and a preparation plant with annual production capacity of 0.9 million tonnes. Besides, Qipanjing Mining holds 100% interest in Inner Mongolia Qipanjing Coking Company Limited, which is principally engaged in the production and sales of coke in the PRC. It has a coke plant with annual production capacity of 0.21 million tonnes. In terms of coal quality, the major type of coal produced from these mines is fat coal, which is considered as a high grade coking coal and a key component in the manufacturing of coke.

In view of the acquisition, the Executive Director of the Group, MR. Jimmy SO stated, “We are very delighted to propose the acquisition. It is in line with the development of the Group, and we will continue to further expand our fat coal resource in Inner Mongolia as well as hard coking coal in Shanxi to enhance the Group itself in providing full range of high quality and major types of coking coal to the steel sector. It is believed that the proposed acquisition will boost the Group’s revenue and profit, increase its competition edge and strengthen its position as one of the leading coking coal producers in the PRC.”

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About Fushan International Energy Group Limited

Fushan Energy is principally engaged in the production and sales of coal products and side products and is the second largest hard coking coal producer in the PRC. On 25 July 2008, the Group acquired 87.75%, 65% and 95% equity interests in Xingwu Mine, Jinjiazhuang Mine and Zhaiyadi Mine located in Liulin County, Luliang City, Shanxi Province, respectively from Fortune Dragon Group at a total consideration of HK\$10.53 billion. In 2007, the three coal mines had produced a total of 5.08 million tons of raw coal and 0.83 million tons of cleaned coal. According to the technical review report of John T. Boyd, based on the standard of JORC, the recoverable reserve of these three coal mines was approximately 142.4 million tons as at the end of 2007, which mainly contains hard coking coal and semi-hard coking coals. At present, the Group has two coal preparation plants and two coal preparation plants under construction in Shanxi Province with an expected total production capacity of 7.20 million tons.

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

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