



**FUSHAN COMPLETED ACQUISITION OF MOUNT GIBSON IN AUSTRALIA
THE FIRST STEP TOWARDS DEVELOPING INTO AN INTERNATIONAL
DIVERSIFIED METALLURGICAL RESOURCES SUPPLIER**

(Hong Kong, 2 December 2009) 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 it has officially completed the acquisition of part of the shareholding of Mount Gibson, the fourth largest pure iron ore exploration and mining company in Australia, on 1 December. This marked an expansion of the Group’s product offering from coking coal to iron ore and its business in markets other than the PRC, which bring the Group one step closer to the goal of becoming an international diversified metallurgical resources supplier and facilitate further acquisitions of overseas resources projects in the future.

The Group has, by share swap transactions, acquired approximately 14.34% of the issued share capital of Mount Gibson and approximately 16.8% of the issued share capital of APAC (1104.HK) from its substantial shareholder Shougang International (697.HK) and its parent company Shougang Holding, respectively. APAC is currently holding approximately 26.03% shares of Mount Gibson. Upon the completion of the transaction, Fushan will be directly and indirectly holding approximately 18.7% shares of Mount Gibson.

Mount Gibson is the fourth largest pure iron ore exploration and mining company in Australia and possesses quality iron ore resources. Mount Gibson is mainly engaged in mining of hematite iron ore deposits at Koolan Island and Talling Peak in Australia, with annual production of 7 million tonnes. Extension Hill, its third iron ore deposit, will commence production next year, which will boost its annual total production to 10 million tonnes. With stable annual production of iron ores, Mount Gibson mines quality iron ores with high iron content. Meanwhile, its ports and railway network are well-developed, which enables Mount Gibson to efficiently transport iron ore resources around the world. Accordingly, Fushan Energy’s existing resource development and exploration business will be enhanced, thus promoting its corporate strategies.

Commenting on the successful acquisition, Mr. So Kwok Hoo, the Executive Director of Fushan Energy, stated, “The Group is running a successful business in the three coking coal mines in Shanxi Province and has been seeking further opportunities of acquiring metallurgical resources to expand its production capability and market share. Apart from playing an active role in the resources consolidation in Shanxi Province through the three coal mines, the iron ore resources gained from the acquisition of Mount Gibson help diversify the product portfolio of Fushan Energy by positioning the Group with resources and assets such as iron ore and coking coal, whilst gradually putting the Group on track to be an international, sizable and diversified metallurgical resources supplier by expanding its reach outside of the PRC. The acquisition also allows the Group to take advantage of the positive prospects of the iron and steel sector and cater for the increasing demand from countries including the PRC. The rapid development of the domestic iron and steel sector, the enormous market potential therein as well as the accelerating urbanization give rise to the need of a great amount of steel. The acquisitions will expand and further stabilize the Group’s supply network with downstream iron and steel clients, thereby laying solid foundation for the Group to go international. By participating in overseas iron ore business, the Group will also be well positioned to further acquire other quality resources and assets abroad so as to maximize shareholders’ returns.”

— End —

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.

For more information, please contact:

Wonderful Sky Financial Group Limited

Lydia Leung/ Scarlett Shi/ John Gao/ Katherine Kwok

Tel: (852) 2851-1038 Fax: (852) 2815-1352

Email: lydialeung@wsfg.hk / scarlettshi@wsfg.hk / johngao@wsfg.hk / katherinekwok@wsfg.hk