

For Immediate Release



Enhancing Competitiveness by Taking M&A Opportunities Fushan to Further Acquire Coal Resources in Shanxi

(7 January 2010, Hong Kong), Fushan International Energy Group Limited ("Fushan Energy" or the "Group"; stock code: 639.HK), China's second largest hard coking coal producer, is pleased to announce that in order to increase the Group's coal resources in Shanxi Province and improve coking coal reserve and production capacity, the Group is planning to acquire Willbroad Investments Limited ("target company") which owns quality coking coal resources in Shanxi. The Group has entered into a letter of intent with the vendor.

Regarding the proposed acquisition, Mr. Jimmy So, the Executive Director of Fushan Energy, said, "The target company owns several coking coal mines in Shanxi Province, with coal reserve totalling 442 million tonnes and annual production capacity of 6 million tons. The acquisition will increase the Group's coking coal reserve and production capacity and consolidate its market shares. Besides, as the mines of the target company are adjacent to the three coal mines currently operated by the Group in Shanxi, centralized management is expected after the acquisition for economies of scale operation. Coal quality can also be assured." He added, "Leveraging on sound opportunities brought by the resource consolidation in Shanxi, the Group will continuously seek acquisition opportunities for metallurgical resources in line with its development strategy, in order to improve the Group's structure and strength and enhance itself in providing diversified high quality metallurgical resources to the steel sector for long term competitiveness."

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About Fushan International Energy Group Limited

Fushan Energy is principally engaged in the production and sales of coking coal products in Shanxi province and is the second largest hard coking coal producer in the PRC. Striving to be an international diversified metallurgical resources supplier, the Group progressively expands its product variety to Australian iron ore and extends its business to overseas market. The Group is currently operating three high-quality coking coal mines, namely Xingwu Coal Mine, Jinjiazhuang Coal mine and Zhaiyadi Coal Mine in Shanxi Province. For the first three quarters in 2009, the production volume of the Group's raw coal and clean coal is 4.8 million tons and 0.7 million tons respectively. In order to achieve the goal of product diversification, the Group has succeeded in acquiring certain equity interests in Mount Gibson, the fourth largest pure iron ore exploration and mining company in Australia, which brings high quality iron ore resources to the Group.

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

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