



Press Release
(For immediate release)

Exclusive negotiation period relating to the proposed acquisition of 12 coal mines expired Shougang Group expresses confidence in business outlook of Fushan Energy

(9 July 2010, Hong Kong) Fushan International Energy Group Limited (“Fushan Energy” or “the Company”; together with its subsidiaries collectively referred to as the “Group”) (Stock Code: 639.HK), one of the largest hard coking coal producers in the PRC, announced that the exclusive negotiation period relating to the proposed acquisition of twelve coking coal mines in Shanxi Province expired on 5 July. Although the exclusive negotiation period will not be extended, the Company and the vendor agreed to continue communication with each other to study the feasibility of entering into an agreement. While negotiating the deal, the Group will strive to maximize shareholders’ interest. If an agreement is finally made, the Group will announce the details to the public in due course. The Group’s daily operation and production will remain unchanged and it will continue to expand business according to the established development strategy.

The Group achieved steady growth of coking coal business in the first half of this year. Average selling price of raw coking coal climbed to RMB 788 / ton in May, while average selling price of clean coking coal advanced to RMB 1,866 / ton during the same period.

Meanwhile, Shougang Group, the largest shareholder of the Company, raised its equity interest in the Company to 27.05% after acquiring a total of 31.45 million shares of Fushan Energy in May and June respectively. The increase in shareholding clearly demonstrates that Shougang Group is fully confident about the business outlook of Fushan Energy.

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About Fushan International Energy Group Limited

Fushan International Energy Group Limited is one of the largest hard coking coal producers in the PRC. With a production base in Liulin County, Shanxi Province, it is principally engaged in coking coal mining and production and sale of raw and clean coking coal. It boasts three premier coking coal mines in Shanxi Province, i.e., Xingwu Coal Mine, Jinjiazhuang Coal Mine and Zhaiyadi Coal Mine. Their total annual production capacity reaches 6.3 million tonnes. The Group has established long-term cooperation relationship with various major steel manufacturers in Mainland China, including Shougang Group, Handan Iron & Steel Group, Baogang Group and Taiyuan Iron and Steel Company. Shougang Group is the single largest shareholder of Fushan Energy.

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