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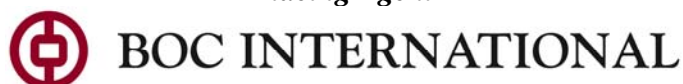


福山國際能源集團有限公司
FUSHAN INTERNATIONAL ENERGY GROUP LIMITED

(Incorporated in Hong Kong with limited liability under the Hong Kong Companies Ordinance)
(Stock Code: 639)

**COMPLETION OF
VERY SUBSTANTIAL ACQUISITION AND
CONNECTED TRANSACTION,
THE SHOUGANG PLACING
AND
THE SECOND PLACING**

Placing Agent



Financial advisers to the Company



Morgan Stanley

The Board is pleased to announce that completion of the Agreement; the Shougang Placing and the Second Placing took place on 25 July 2008.

Reference is made to the announcements (the “Announcements”) of Fushan International Energy Group Limited (the “Company”) dated 21 May 2008, 17 June 2008 and 20 June 2008 and the circulars of the Company dated 25 June 2008 and 30 June 2008 in relation to the very substantial acquisition and connected transaction of the Company; the Shougang Placing and the Second Placing. Unless otherwise defined, terms used in this announcement shall bear the same meanings as those defined in the Announcements.

The Board is pleased to announce that completion of the Agreement, the Shougang Placing and the Second Placing took place on 25 July 2008. Since then, the BVI Companies, which in aggregate have a raw coking coal production capability of 6.3Mt per annum, have become wholly-owned subsidiaries of the Company. As disclosed in the Announcements, the Target Group’s operations are located in the Liulin Area of Shanxi Province, a geological belt rich in premium hard coking coal, in addition, Mine A, Mine B and Mine C have been in active production for 40, 12 and 10 years, respectively, and are profitable and generating stable cash flows. As such, the Company expects to benefit from the Target Group's operational expertise and

know-how and established sales channels and supporting infrastructure, as well as the enlarged Group's enhanced economies of scale, to accelerate the future development of the Company and further improve the operational efficiency and competitiveness of the Company and the Target Group's existing businesses. The completion of the Shougang Placing and the Second Placing also strengthened the equity base of the Company.

The table below sets out the respective shareholding structures of the Company immediately before and after completion of the Agreement, the Shougang Placing and the Second Placing:

Name of Shareholders	Immediately before completion of the Agreement; the Shougang Placing and the Second Placing		Immediately after completion of the Agreement; the Shougang Placing and the Second Placing	
	Number of Shares	%	Number of Shares	%
Mr. Wong (Note 1 & 2)	1,239,950,000	50.83	1,413,741,900	31.01
Mr. Xing (Note 2)	-	-	669,546,536	14.68
Other Owners (Note 2)	-	-	516,661,654	11.33
Public Shareholders:				
- Fine Power	-	-	450,000,000	9.87
- places (other than Mr. Wong)	-	-	310,000,000	6.80
- other public Shareholders	1,199,605,352	49.17	1,199,605,352	26.31
Total	2,439,555,352	100.00	4,559,555,352	100.00

Notes:

1. Mr. Wong owns 90,750,000 Shares and China Merit owns 1,149,200,000 Shares. Upon completion of the Agreement, Mr. Wong received 73,791,900 Consideration Shares represented 5.8565% of total Consideration Shares. The Placing Agent placed to China Merit 100,000,000 Placing Shares pursuant to the Second Placing.
2. Upon completion of the Agreement, the holders of the DB Warrants exercised their rights on the DB Warrants to subscribe for approximately 10.7374% equity interest of the Seller. The holders of the DB Warrants have become the shareholders of the Seller and accordingly, the shareholders of the Seller (except the holders of the DB Warrants) allocated their Consideration Shares to the holders of the DB Warrants. The Other Owners defined above included the shareholders of the Seller other than Mr. Wong and Mr. Xing and the holders of the DB Warrants. To the best of the Directors' knowledge, information and belief after making reasonable enquiries, the holders of the DB Warrants and their respective beneficially owners are third parties independent of the Company and its connected persons.

By order of the Board
Fushan International Energy Group Limited
SO KWOK HOO
 Executive Director

Hong Kong, 25 July 2008

As at the date of this announcement, the Board comprises Mr. Wong Lik Ping, Mr. So Kwok Hoo, and Mr. Xue Kang as executive directors, Mr. Li King Luk as a non-executive Director, Mr. Kee Wah Sze, Mr. Choi Wai Yin and Mr. Chan Pat Lam as independent non-executive Directors.