

For immediate release



**Shougang International Increases its Shareholdings in Fushan Energy by 100 million shares
Optimistic about the Prospects of the Group and the Industry Supports International Development**

(Hong Kong, 4 January 2010) Fushan International Energy Group Limited (“Fushan Energy” or the “Group”; Stock Code: 639.HK), the second largest hard coking coal producer in the PRC, announces that its substantial shareholder Shougang International (Stock Code: 697.HK), who is optimistic about the prospect of the Group’s internationalized development and the performances of the coking coal and iron ore markets in the future, increased its shareholdings in the Company by 100 million shares (representing approximately 1.9% of the issued share capital of the Group) at a price of HK\$7.2 per share on 30 December 2009 with a total consideration of approximately HK\$720 million. Upon the increase in shareholdings, the equity interest of Fushan Energy held by Shougang International increased from approximately 22.6% to approximately 24.5%.

In view of the increase in shareholdings of the Group by Shougang International, Mr. So Kwok Hoo, the Executive Director of Fushan Energy, stated, “As the Group is under rapid development, we have recently been constantly building up strengths of the Group through active mergers and acquisitions, while optimizing our products to elevate the long term competitive edges of the Group. The increase in shareholdings of the Group by Shougang International showed their strong confidence in the prospects of the Group, as well as the future performances of coking coal and iron ore international market. Coupled with the Group’s successful acquisition of certain equity interests in Mount Gibson, the fourth largest pure iron ore exploration and mining company in Australia, recently from Shougang International and Shougang Holding, the tremendous support to the internationalized development of Fushan Energy from Shougang International has been well demonstrated.”

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Mr. So Kwok Hoo further added, “The Group had just succeeded in the acquisition of Mount Gibson, the fourth largest pure iron ore exploration and mining company in Australia. Apart from participating in overseas iron ore business, we actively involved in the acquisition and integration of the coal mines resources in Shanxi Province. Fushan Energy will keep track of the opportunities arising from the metallurgical resources industry and actively participate in acquisitions, so as to put the Group on track to be an international, sizable and diversified supplier of metallurgical resources at our best endeavors, achieve our desired status in the market and maximize shareholders’ returns.”

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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.

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

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