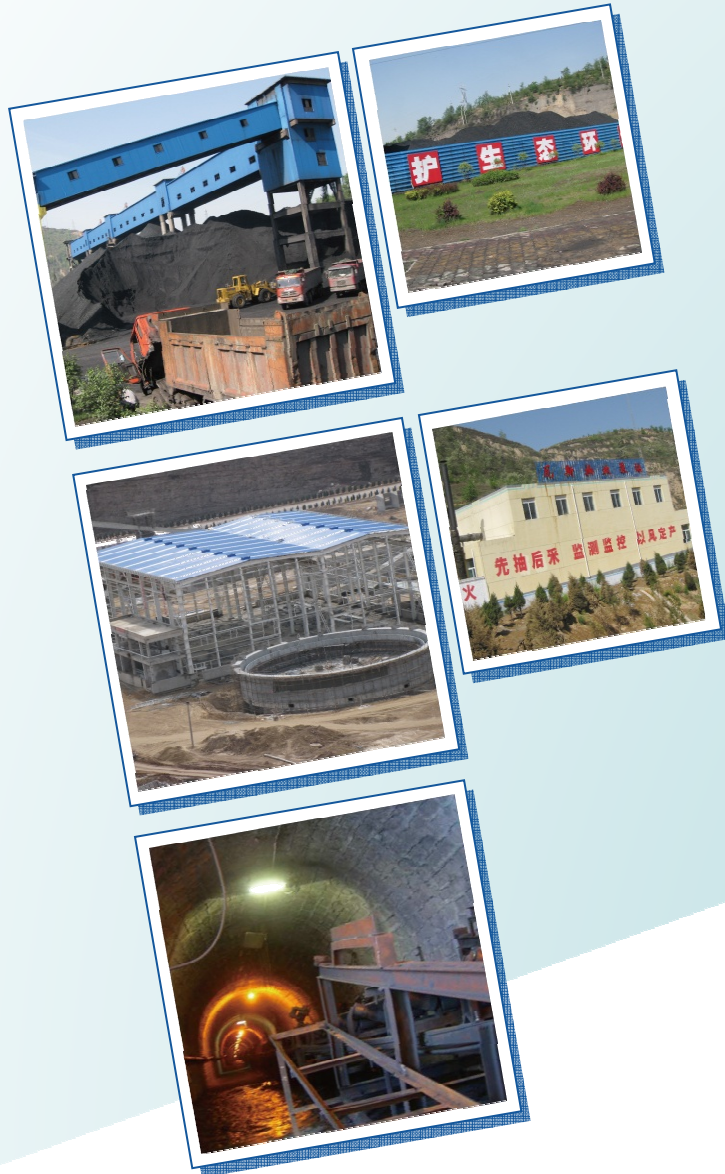




福山國際能源集團有限公司
Fushan International Energy Group Limited



2009 Results Presentation 16 April 2010

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Annual Results | **2009**

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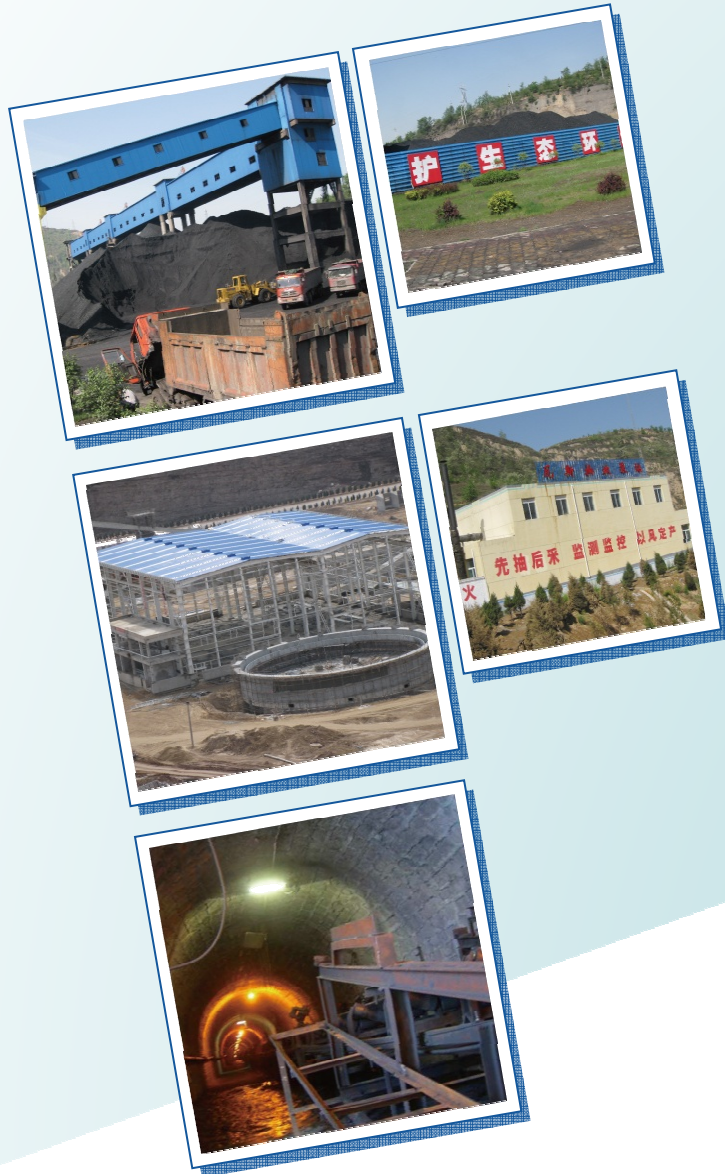
Agenda

- Results and Events Highlights
- Financial Review
- Market and Business Review
- Outlook





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Results & Event Highlights

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2009 Results & Event Highlights

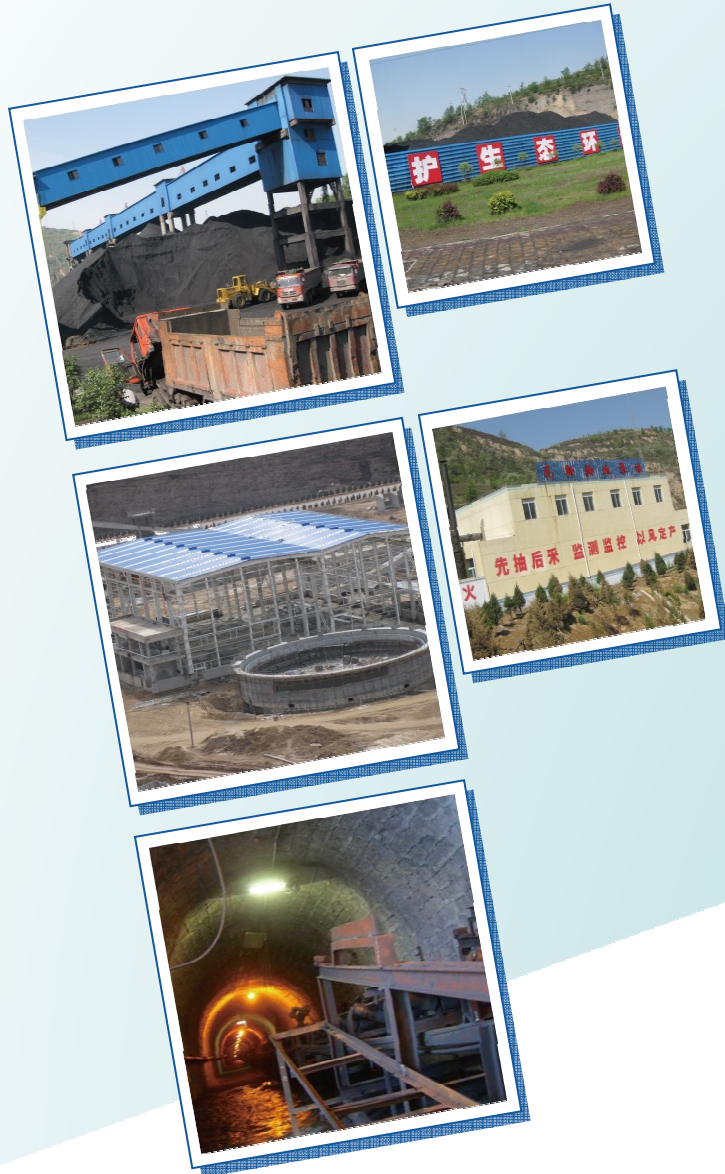
- Operations experienced phenomenal growth in 2009:
 - EBITDA  up by 120% to HK\$2,609 million
 - Net Profit  up by 104% to HK\$1,442 million
 - Profit attributable to owners of the Company up by 98% to HK\$1,126 million
 - Raw coking coal production: 6.2 million tonnes, up 148% (5mths)/15% (12mths)
 - Clean coking coal production: 1.0 million tonnes, up 233%(5mths)/31%(12mths)
- Excluding non-cash share-base compensation expense¹ and one-off net transaction loss from acquisition of certain investment securities², the Group's net profit would be HK\$1,773 million, substantially increased 151% over 2008
- Recommended final dividend of HK 11cents per share. Including interim dividend of HK 10cents, total dividend paid out for 2009 is HK 21cents per share
- Focused on safety production – no significant lost time injury incident during the year
- Included in the MSCI Emerging Markets Index and the Hang Seng Composite Index in 2009 and also included in the Xinhua FTSE HK Index in March 2010

Note: 1. Granted share options in August 2009 resulted in incurred a non-cash share-base compensation expense of HK\$110 million
2. Mainly acquired a 16.8% equity interest in APAC Resources Limited ("APAC") in December 2009 by issuing new Shares of the Company ("Share"). Company's Share price increased during the period from the contract date to the completion date while APAC's share price reduced, therefore recorded a one-off non-cash net transaction loss of HK\$221 million in accordance with the relevant accounting standards





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Financial Review

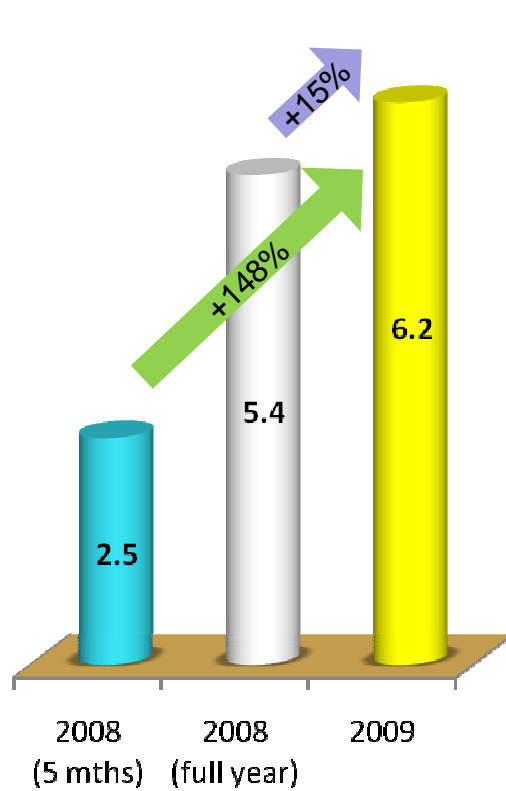
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Strong Production Growth

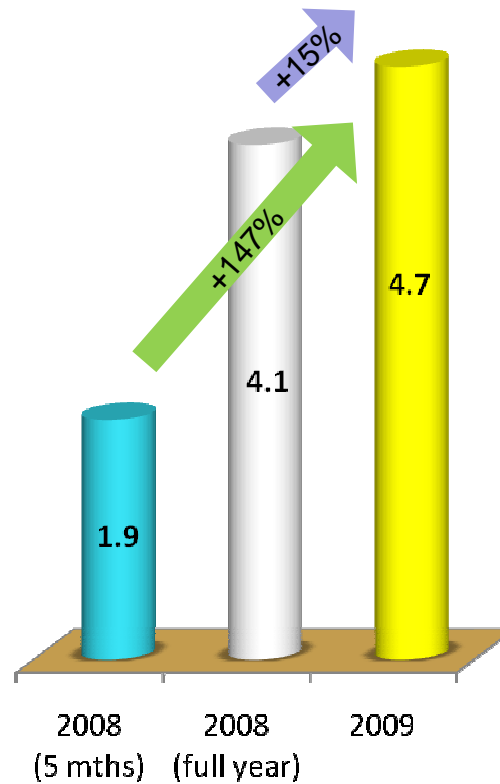
Raw Coking Coal Production

(Million tonnes)



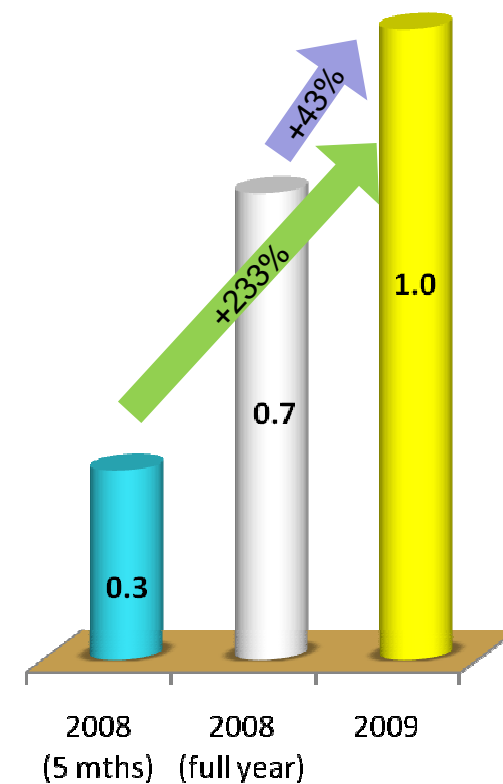
Raw Coking Coal Sales

(Million tonnes)



Clean Coking Coal Sales

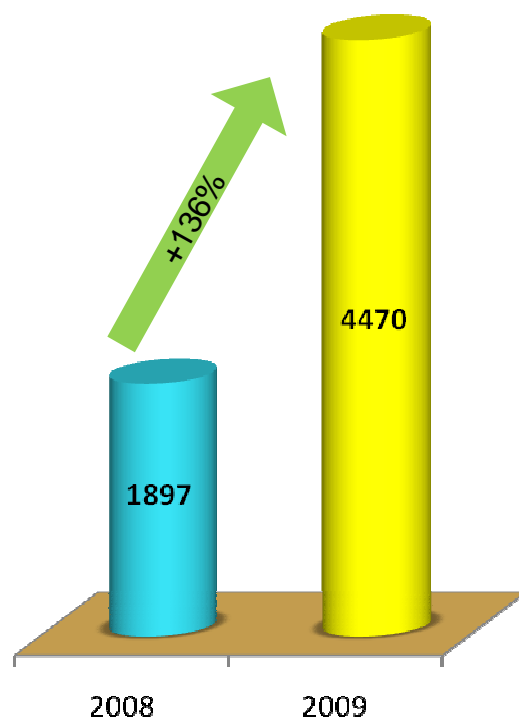
(Million tonnes)



Significant Revenue and Profit Growth

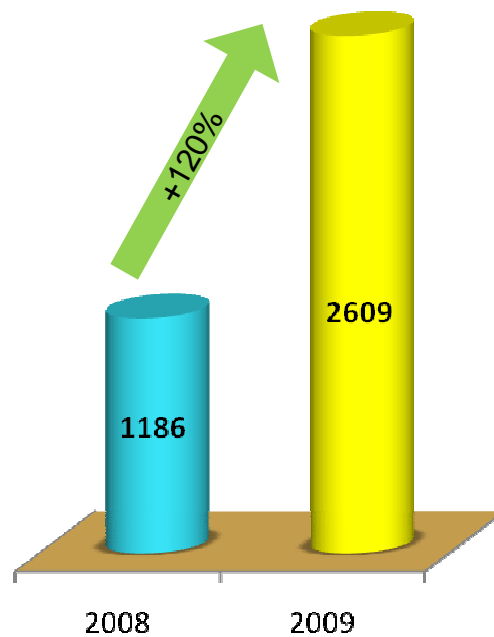
Revenue

(HK\$ million)



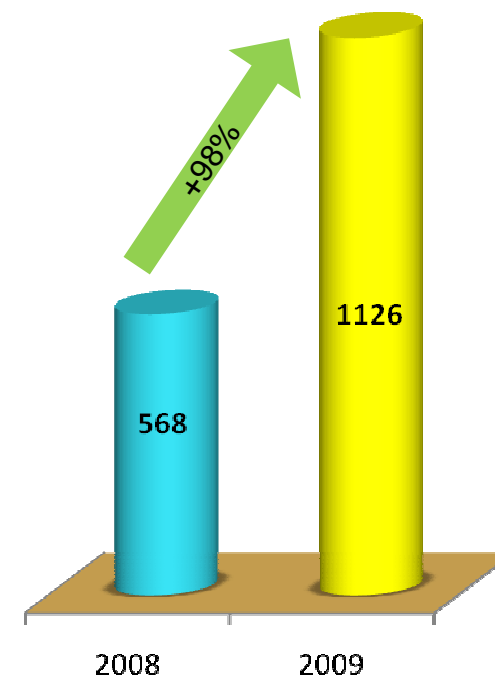
EBITDA

(HK\$ million)



Attributable Profit

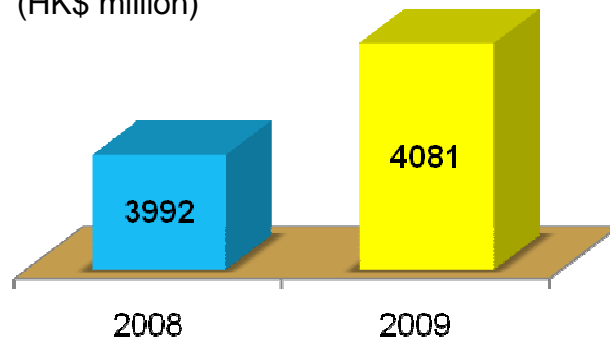
(HK\$ million)



Strong Financial Position

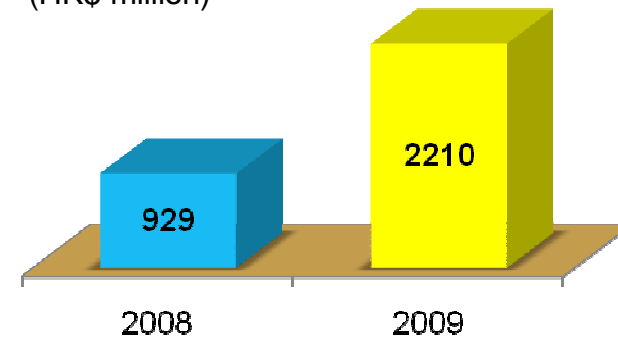
Current Assets

(HK\$ million)



Cash and Bank Balances

(HK\$ million)

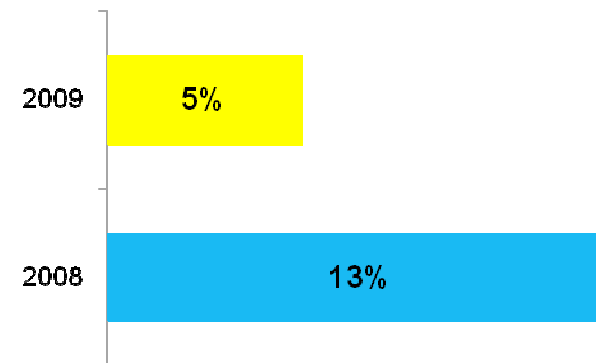


Net Asset Value Per Share

(HK\$)



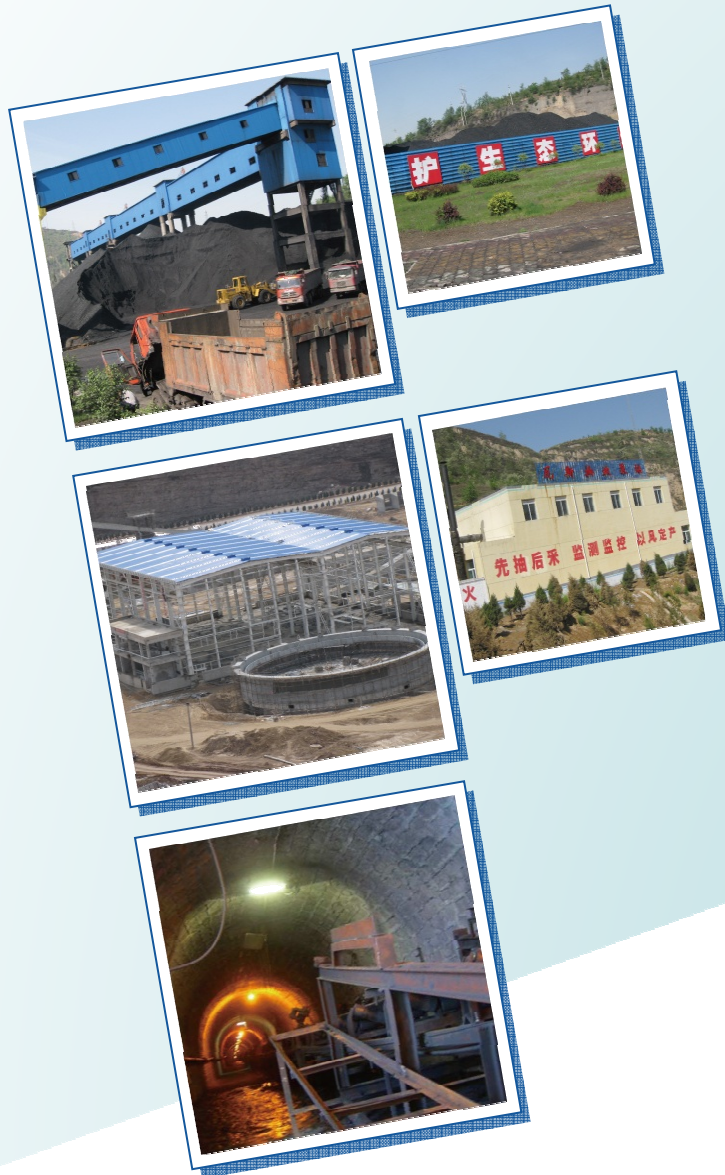
Gearing Ratio





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Market and Business Review

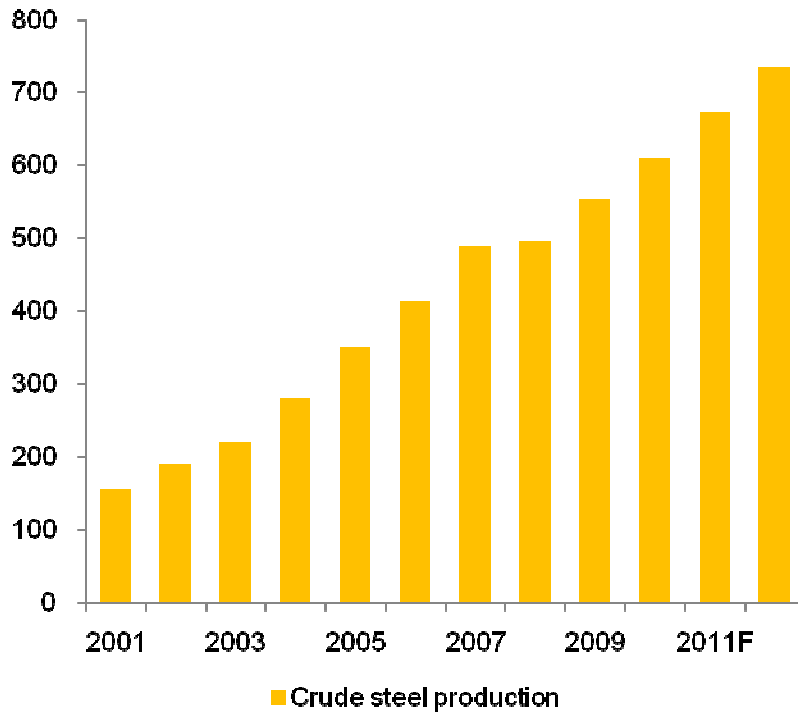
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Market Overview

China Crude Steel Production

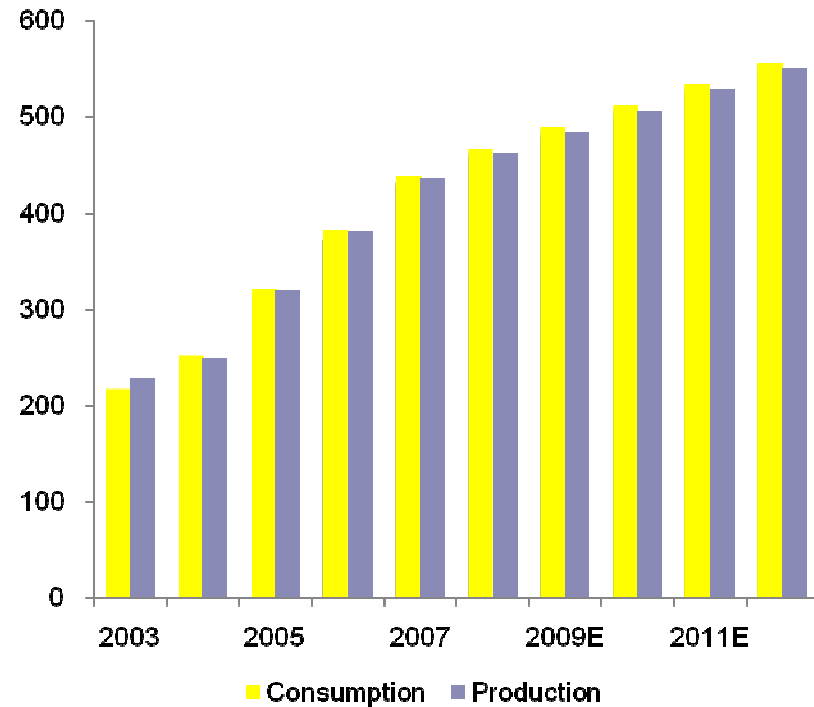
(m tonnes)



Source: CEIC, RBS forecasts

China Coking Coal Consumption and Production

(m tonnes)



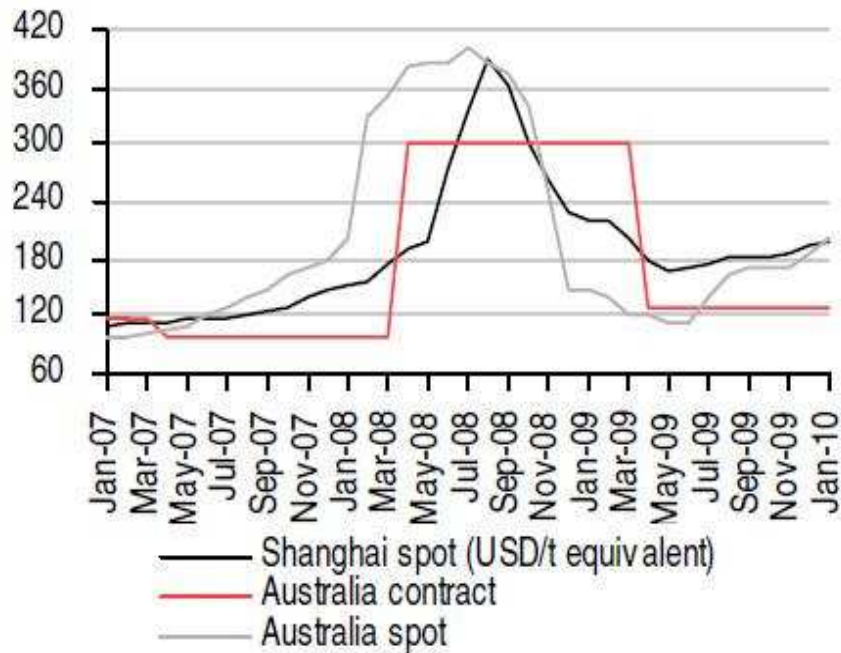
Source: BP Statistical Review of World Energy 2008, World Energy Outlook 2008 (OECD/IEA), CRU



Market Overview

Coking Coal Price Trend

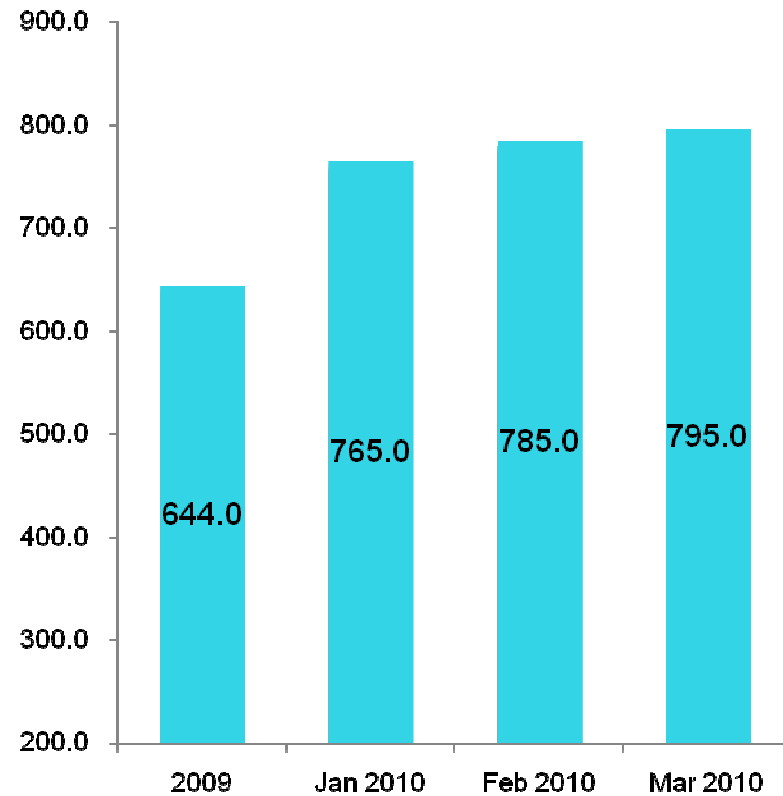
- Global coking coal prices were supported by China's imports and global steel restarts



Source: China Coal Resource, CRU, McCloskey, HSBC

Fushan Raw Coal Average Selling Price (incl. VAT)

(Rmb/tonne)



Favorable Government Policies

Stimulus Package implemented by the Chinese Government to support infrastructure investments

Demand Increase



China to hasten small coal mine consolidation and encourage large coal miners to take over small ones

Supply Decrease



Fushan is well positioned for leaping growth



Growth Strategy

- Solid Results and Healthy Financial Position
- Good Projects on Hand and Ample M&A Targets
- Complete Value Chain with International Platform

**To Become an
International
Diversified
Metallurgical
Resources
Supplier**

- Expand Revenue Base
- Gain Large Quality Clients
- Improve Margins

- Enlarging Reserve
- Expanding Capacity
- Diversifying Product Portfolio



Business Review – Liulin Mines

2H2008*
Total raw coal output
2.476 Mt

2009
Total raw coal output
6.2 Mt

2010 Planned
total raw coal output
not less than 6 Mt

Maintained High Operation Efficiency and High Safety Standards
Met All Capacity and Output Targets

* Raw coal output for the 5 months ended 31 December 2008



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Jinjiazhuang (Total reserves: 46.34Mt)



Xingwu (Total reserves: 43.80 Mt)



Zhaiyadi (Total reserves: 52.21 Mt)



Advantages

- The three premium coking coal mines are all located within Liulin country which allows centralized management for higher efficiency
- Honoured as "panda coal" or "industrial monosodium glutamate" due to its scarcity and high economic value
- The first stage of the Tai-Zhong-Yin national rail will be completed by 2011 which will greatly benefit our mines and solve the logistic bottleneck

Business Review - Coal Preparation Plants

Current owns two coal preparation plants with a total processing capacity of 4.2 Mt/a

- Possess a complete value chain which extends from coal resources, coal preparation plants to coke plants

- Each plants were strategically built in close proximity to the Group's mines

- In the long term, focus on sizable steel manufacturers as the Group's major clientele with its premier clean coking coal production

- Two other coal preparation plants will come into operation in 3Q2010, total annual processing capacity of clean coal will jump to 11.3 million tons

million tonnes	2008 Annual Processing Capacity	2009 Annual Processing Capacity	2010 Estimated Annual Processing Capacity
Xingwu	1.2	1.2	1.2
Jinjiazhuang*	-	3.0	3.0
Zhaiyadi	-	-	2.1
Jinshan	-	-	5.0
Total Capacity	1.2	4.2	11.3

* Commenced production in June 2009



Xingwu Coal Preparation Plant



Jinjiazhuang Coal Preparation Plant



Business Review - Mount Gibson Iron Limited (MGX.AU)



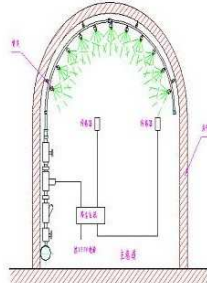
- Fushan directly and indirectly holding approximately 18.7% shares of Mount Gibson.

- An international platform with complete value chain from mining resource, infrastructure, railway and port
- Mining of iron ore (hematite) deposits at Koolan Island and Talling Peak in Australia, with annual production of 7.0 Mt currently
- A third iron ore deposit will commence production next year, which will boost its annual total production to 10 Mt
- Diversify its product portfolio and gradually positioning the Group on track to be an international, sizable and diversified metallurgical resources supplier by expanding its reach outside of the DRC
- Recent market source prices will increase b

		Audited 6 months end 31 Dec 2008	Audited 6 months end 30 Jun 2009	Unaudited 6 months end 31 Dec 2009
Tonnes mined	wmt (mil)	2.79	3.12	3.68
Tonnes sold	wmt (mil)	2.39	3.00	3.38
Sales revenue	au\$ (mil)	230.3	195.2	242.3
Operating profit before interest & tax	au\$ (mil)	29.1	49.6	64.6
Net profit after tax	au\$ (mil)	13.3	29.3	39.4



Sustainability



Safety Production

- No significant lost time injury incident during the year
- Awarded safety certificates from the China National Coal Association (CNCA) every year
- Computerized control, direct and oversees operation
- Maintain low concentration gas level & modern alarm system
- Large scale water pumps prevent accidents
- Powerful ventilation and de-gas system
- Continuous investment in safety measures upgrade

Environmental Protection

- Measures include land, soil, rock, water, air and noise
- Utilize wastage water recycling system for cleaning the coal
- Gas collected for power generation

Community

- Dedicated to give back to the society - donated RMB110 million for the construction of modern schools in the Liulin County to educate the future local workforce



Strong Commitment by Shougang

1,424 mil shares (26.46% stake) acquired by the Shougang Group via a series of transactions:

Time	Feb-09	Jul-09	Sep-09 (Completed Dec-09 @ HK\$7.5)	Sep-09 (Completed Dec-09 @ HK\$7.5)	Dec-09
Major Transaction	Acquired from one of the Group's founders	Acquired from Shougang Holding (HK) Ltd.	Share swap for Fushan shares with MGX shares	Share swap for Fushan shares with APAC shares	Acquired from one of the Group's founders
No. of Shares	550 mil	450 mil	214 mil	109 mil	100 mil
Price	HK\$2.18	HK\$4.29	HK\$5.556	HK\$5.556	HK\$7.2

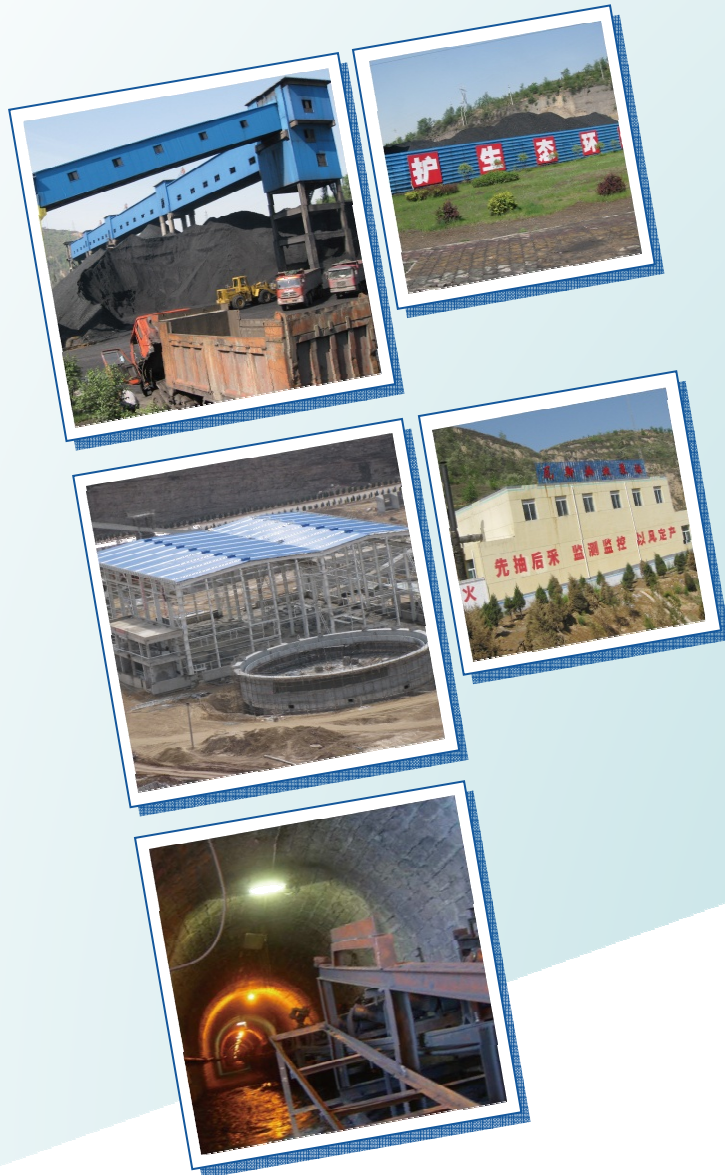


- Mr. Wang Qinghai, Vice Chairman and Managing Director of Shougang Group, has been appointed as Chairman of Fushan
- The increase in shareholdings of Fushan by Shougang showed their strong confidence in the prospects of the Group





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Outlook

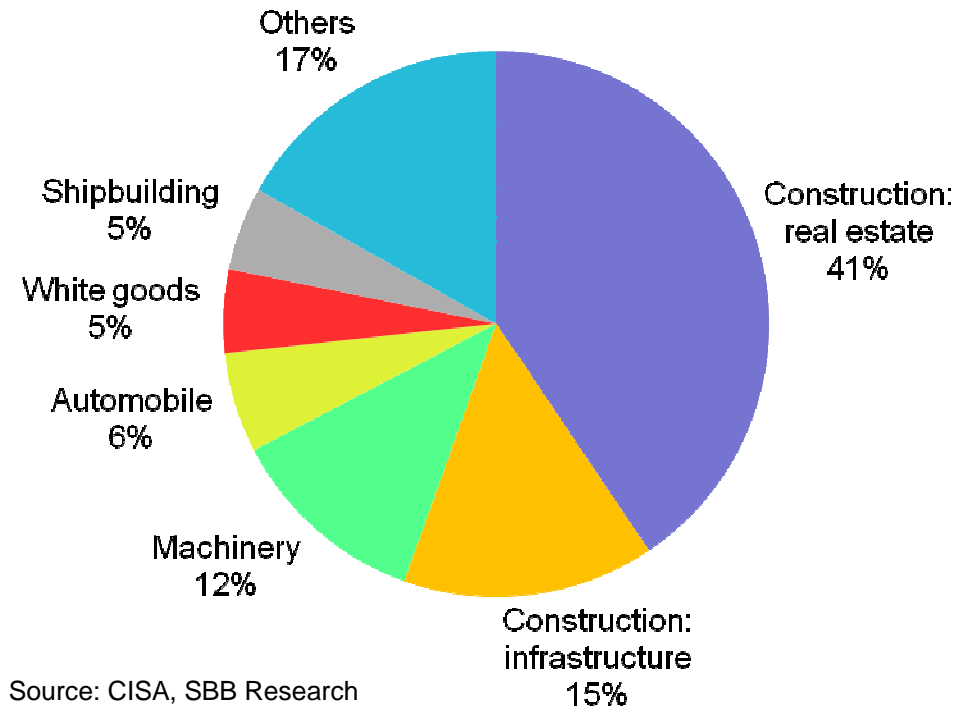
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Market Outlook



Steel Downstream Demand in China



Coking coal demand is mainly driven by strong steel demand growth from infrastructure, property and automobile sectors



Outlook

- Surging demand for coking coal - ardent demand for steel on the back of a revival in the global economy and brisk growth of domestic economy
- Provincial government rationalizes coal enterprises' resources to ensure safer operations – in the process of closing down of Shanxi mines with an annual capacity of less than 900,000 tonnes
- Continue to use Liulin County as its production base and further enhance production efficiency and safety management
- Deeper and broader cooperation with Shougang Group and other major steel manufacturers by strengthening the development of clean coal operations
- Continue to raise capacity and improve the product mix through acquisitions and organic growth



M&A of Twelve Mines in Shanxi

Enlarge Reserves & Expand Capacity

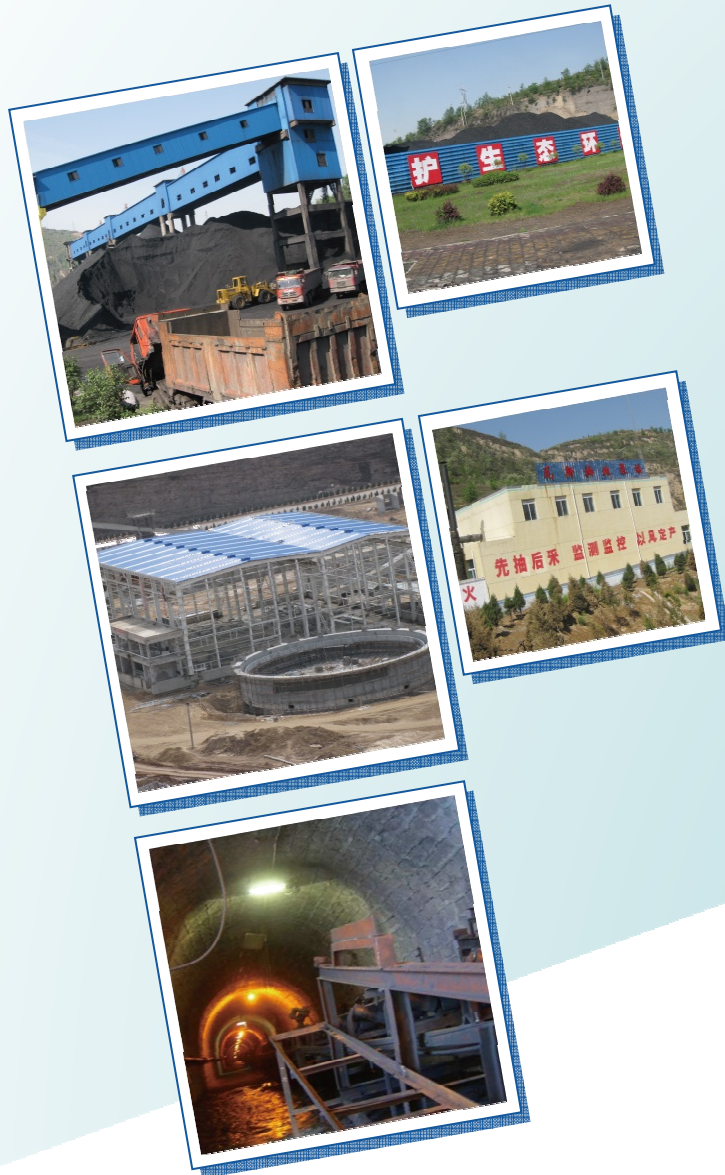
Twelve Mines in Shanxi

- Plans to acquire Twelve Mines in Shanxi
- Total coal reserve of 442 Mt
- Twelve mines will be further consolidated into seven mines and production capacity will be expanded to over 6 Mt/a
- Adjacent to the three premium coking coal mines currently operated by the Group in Shanxi, unlock synergies by fully utilizing our coal processing capacity and centralized management for greater economies of scale
- Will greatly enhance our coking coal reserves and production capacity of raw and clean coking coal





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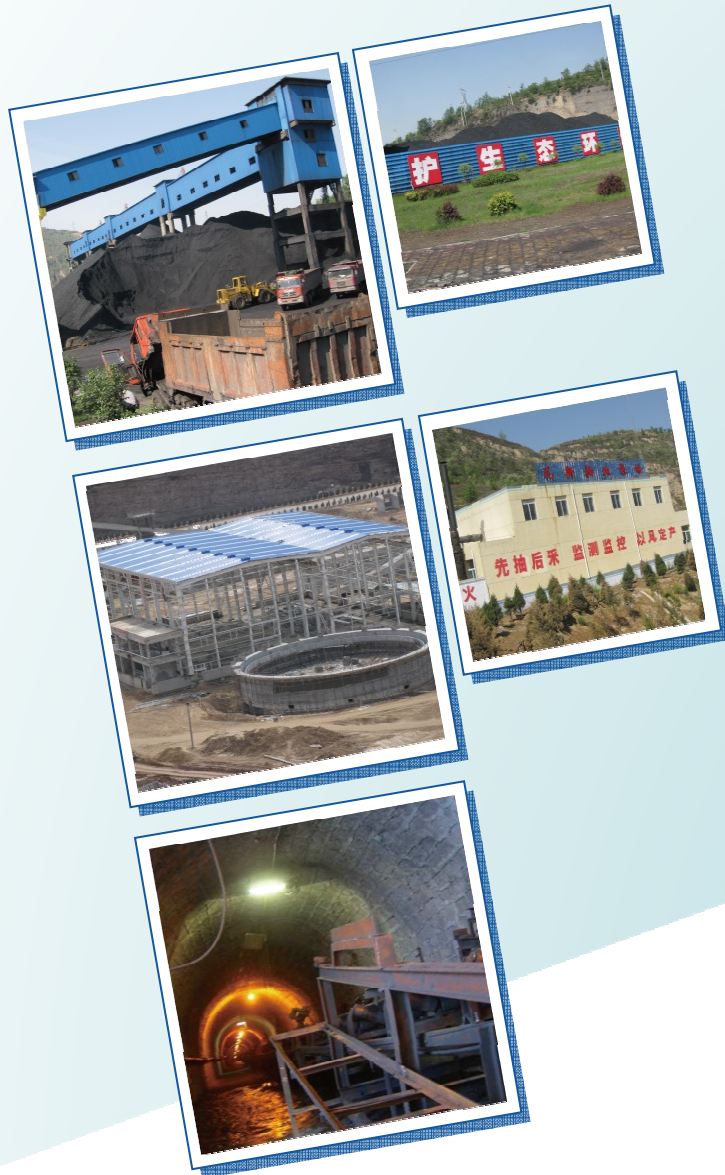
Q&A

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Thank you!

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