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Kiu Hung Energy Holdings Limited
僑雄能源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00381)

**EXTENSION OF LONG STOP DATE
AND
FURTHER DELAY IN DESPATCH OF CIRCULAR
IN RELATION TO THE VERY SUBSTANTIAL ACQUISITION
INVOLVING THE ISSUE OF CONSIDERATION SHARES
AND CONVERTIBLE NOTES**

Reference is made to the Announcements. Since the Company requires additional time to finalise the contents of the Circular, including but not limited to conducting the due diligence on the Target Company, preparation of the Technical Report, the valuation report on the fair market value of the Mines to be prepared by an independent professional valuer and the unaudited pro-forma financial information on the Group as enlarged by the Acquisition, the Directors currently expect that the despatch of the Circular will be further delayed from 10 September 2010 to a day falling on or before 10 December 2010.

On 6 September 2010, the Purchaser and the Vendor entered into a supplemental agreement to extend the Long Stop Date to 31 December 2010 or such other date as may be agreed by the parties to the Acquisition Agreement, to allow more time for the Vendor and the Purchaser to prepare the necessary information for the fulfillment of the Conditions.

Reference is made to the Company's announcement dated 17 March 2010 in relation to the Acquisition Agreement on 24 February 2010 (as supplemented by a supplemental agreement dated 3 March 2010) and 7 April 2010 in relation to the delay in despatch of circular (the "Announcements"). Terms used in this announcement shall have the same meanings as defined in the Announcements, unless the context requires otherwise.

FURTHER DELAY IN DESPATCH OF CIRCULAR

As at the date of this announcement, the preparation of the Technical Report and other information is still ongoing.

Since additional time is required for the Company to finalise the contents of the Circular, including but not limited to the conducting the due diligence on the Target Company and preparation of the Technical Report, the valuation report on the fair market value of the Mines to be prepared by an independent professional valuer and the unaudited pro-forma financial information on the Group as enlarged by the Acquisition, the Directors currently expect that the despatch of the Circular will be further delayed from 10 September 2010 to a day falling on or before 10 December 2010.

EXTENSION OF LONG STOP DATE

As stated in the Announcements, Completion is subject to the fulfillment or, where applicable, waiver of the conditions precedent (“**Conditions**”) to the Acquisition Agreement on or before the original Long Stop Date (i.e. 30 September 2010). In order to allow more time for the Vendor and the Purchaser to prepare the necessary information for the fulfillment of the Conditions, the Purchaser and the Vendor have entered into a supplemental agreement on 6 September 2010 to extend the Long Stop Date to 31 December 2010 or such other date as may be agreed by the parties to the Acquisition Agreement.

Save as the aforesaid extension of the Long Stop Date, all other terms of the Acquisition Agreement remain unchanged.

As Completion is subject to the Conditions being fulfilled or, where applicable, waived, the Acquisition may or may not proceed. Investors should exercise caution when dealing in the Shares.

By Order of the Board
Kiu Hung Energy Holdings Limited
Hui Kee Fung
Chairman

Hong Kong, 6 September 2010

As at the date of this announcement, the Board comprises four executive directors, Mr. Hui Kee Fung, Mr. Yu Won Kong, Dennis, Mr. Guo Tianjue and Mr. Lam Kit Sun and three independent non-executive directors, Mr. Lam Siu Lun, Simon, Mr. Zhang Xianmin and Mr. Mohammed Ibrahim Munshi.