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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)

**LAPSE OF PLACING AGREEMENT
IN RELATION TO
ISSUE OF NEW SHARES**

As informed by the Placing Agent, no placee has been identified to subscribe for the Fourth Placing Shares on or before 25 March 2009, being the last date on which the condition of the Fourth Agreement must be satisfied. As such, the Fourth Placing has not become unconditional and the Fourth Agreement has lapsed.

Reference is made to the announcement (the “**Announcement**”) made by the Company dated 30 November 2008 in relation to, among other matters, the placing of up to a maximum of 75,000,000 Fourth Placing Shares to be placed by a maximum of two tranches by the Placing Agent on a best efforts basis pursuant to the Fourth Agreement. Unless otherwise defined, terms used herein shall have the same meaning as in the Announcement.

As informed by the Placing Agent, no placee has been identified to subscribe for the Fourth Placing Shares on or before 25 March 2009, being the last date on which the condition of the Fourth Agreement must be satisfied. As such, the Fourth Placing has not become unconditional and the Fourth Agreement has lapsed.

The Directors do not expect the lapse of the Fourth Agreement would have any material adverse effect on the business operation and financial position of the Group.

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

Hong Kong, 26 March 2009

As at the date of this announcement, the Board comprises Mr Hui Kee Fung, Mr Hui Ki Yau and Madam Hui Hung Tan, Teresa as executive Directors; and Mr Peng Guanghui, Mr Kung King Ching, Conrad and Mr Tang Rongzu as independent non-executive Directors.