

[For Immediate Release]



Kinetic Mines' Loading Station Commences Operation in July, Strengthening The Group's Downstream and Coal Trading Business

(3 July 2013, Hong Kong) **Kinetic Mines and Energy Limited** ("Kinetic Mines" or the "Company" and, together with its subsidiaries, the "Group"; stock code: 1277), a coal mining player primarily operating the Dafanpu Coal Mine in Zhunge'er Banner, Erdos City, Inner Mongolia in China, is pleased to announce that its loading station, Xiaojia Station, is expected to commence operation in July, marking an important milestone of the Group's business development.

Xiaojia Station, a loading station constructed and operated by a joint venture formed by the Group and Shenhua Zhunge'er Resources Company Limited (神華准格爾能源有限責任公司), has an average handling capacity of approximately 5,000 tonnes per hour. Coal products produced by the Group's Dafanpu Coal Mine and procured from other third-party coal mine operators can be transported to Qinhuangdao through Xiaojia Station, thereby strengthening the Group's coal trading business in Qinhuangdao. The Group obtained the required permits and approvals for the operation of Xiaojia Station and its associated rail spur line in June 2013. The first loaded coal train is expected to depart from Xiaojia Station in July 2013.

Meanwhile, the Group has also obtained the required approvals for the mining design of the No. 6 coal seam of the Dafanpu Coal Mine. The No. 6 coal seam is the richest coal reserve in the Dafanpu Coal Mine, with an average coal seam thickness of approximately 23 metres. The construction of the longwall top coal caving system for the No. 6 coal seam is in progress. When completed, the Dafanpu Coal Mine will be able to ramp up its production capacity from approximately 2.4 million run-of-mine tonnes of coal per year to approximately 5.0 million run-of-mine tonnes of coal per year.

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About Kinetic Mines and Energy Limited

Kinetic Mines and Energy Limited currently operates Dafanpu Coal Mine located in Zhunge'er Banner, Erdos City, Inner Mongolia, China. It strives to become a leading privately-owned integrated coal provider in China with mining, processing and trading capabilities, and contribute to China's energy development and firmly grasp the enormous development potentials in China's growing energy market.

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