



Regent Pacific Group Limited

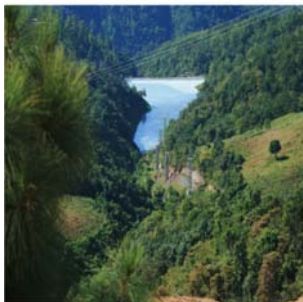


(Incorporated in the Cayman Islands with Limited Liability)

Stock Code: 0575

18 March 2008

ANNOUNCEMENT



CCEC SIGNED A MEMORANDUM OF UNDERSTANDING AND AGREED WITH CHUNCHENG INDUSTRY AND TRADE GROUP CO., LTD TO JOINT VENTURE A SIGNIFICANT THERMAL COAL PROJECT IN INNER MONGOLIA, CHINA



Highlights

- 2.4 billion tonnes of coal resources (Chinese resource classification)
- Coal thickness is up to 80m in certain areas
- Drilling programme planned for completion in 2008 for bringing resource into compliance with the JORC Code
- Open pit, truck and shovel operation
- Steady state production rate of 10Mtpa, with production starting from late 2010, attaining steady state by 2012
- Consortium partner includes Shenyang Railway Bureau, which has started construction of a railway line approximately 7km from the Ji Lin South coal deposit with completion expected in 2010



(Hong Kong, 18 March, 2008) – The Company is pleased to announce that CCEC Ltd. (“**CCEC**”), its wholly owned subsidiary, has signed a memorandum of understanding (the “**MOU**”) on 14 March 2008 and agreed with the Chuncheng Industry and Trade Group Co., Ltd (“**CITG**”) for the



purpose of evaluating and developing the Ji Lin South coal deposit, a potentially significant coal deposit in Inner Mongolia, on a joint venture basis. It is anticipated that, subject to the conclusion of a definitive legal agreement between the parties, CCEC may acquire up to a direct or indirect 49% equity interest in the Sino-foreign joint venture company (the “JV”), to be established for the purpose of the project, by cash contribution to the JV for completion of a bankable feasibility study report.

CITG is a part owner (26%) of a new railway line that is being built by Shenyang Railway Bureau (owned by the Ministry of Railway) at an estimated cost of RMB 5.8 billion. The new railway line will run approximately 7km from the Ji Lin South coal deposit and connect to the existing railway line leading to Shenyang, Liaoning province. The total distance of the new railway line is estimated at 487km. Construction of the new railway line started in November 2007 and completion is expected in 2010. The estimated coal capacity for the first stage of completion (2010) is 12Mtpa rising to 35Mtpa on completion of the second stage.

We expect that the JV can enter into favourable off take agreements for its coal with the end user on a delivered basis (C&F) rather than on a mine gate basis (FOT) with guaranteed annual capacity on the new railway line. However, a detailed analysis of the optimum marketing of the coal will be included in the bankable feasibility study.

The Coal Deposit

The Ji Lin South coal deposit is located 100km north-east of the Inner Mongolian city of Xilinhaote, China. According to Chinese resource standards the deposit contains a significant lignite coal resource of approximately 2.4 billion tonnes. Preliminary exploration indicates large areas of favourable seam thickness and coal to overburden ratios. Where the major coal seams are present and well developed total coal thickness is up to 80m. It is understood by CCEC that coal mined from the project may be suitable for use in local power stations, and we understand that a power station will be built nearby the Ji Lin South coal deposit with a rated power capacity of 2 x 135 mega watts. We further understand that the power station has been approved by the Development and Reform Commission of Inner Mongolia.

It is the intention of CCEC to complete resource delineation drilling in 2008 to define open pit mineable resources with the potential to sustain production rates of up to 10Mtpa, subject to the drilling results, coal quality, feasibility studies and market demands, amongst others.

The exploration licence for the Ji Lin South coal project covers an area of 202.75km².



Memorandum of Understanding

The MOU allows CCEC to undertake full due diligence (technical and legal) with access to all the data currently held by CITG for the exploration licence area. The due diligence programme is to commence in March 2008 and CITG will, in parallel, enjoy an exclusive right to negotiate the JV with CCEC during the period of such due diligence programme.

Following the completion of the due diligence period it is intended that the parties will conclude negotiations and enter into definitive legal documentation, in which details relating to structuring and funding requirements for the project, including funding and development requirements of an open pit mine in the exploration area, will be set out. As there is no binding capital commitment provided under the MOU, the MOU would not constitute a notifiable transaction for the Company under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). Upon the subsequent conclusion of such JV definitive legal documentation, the Company will comply with the relevant Listing Rules requirements, as applicable.

Shareholders and investors should note that the formation of the JV and the development of the underlying project pursuant to the MOU is subject to a number of conditions which include, among others, the conclusion of confirmatory due diligence and definitive legal documentation. There is no assurance that any of the conditions will be fulfilled and the transaction may or may not proceed. Shareholders and investors should exercise caution when dealing in the shares of the Company.

Comments

Stephen Bywater, CCEC Deputy Chairman commented:

"We are very pleased that we have signed up our second significant MOU. We are confident that together with our partner, a major producing open pit coal mine can be developed to meet China's growing power needs and that the transaction will be of substantial benefit to both China and the shareholders of Regent Pacific Group Limited."

By Order of the Board
REGENT PACIFIC GROUP LIMITED

Jamie Gibson
Executive Director



Directors of the Company:

James Mellon (*Co-Chairman*)*

Stephen Dattels (*Co-Chairman*)*

Jamie Gibson (*Chief Executive Officer*)

Stephen Bywater*

Clara Cheung

David Comba[#]

Julie Oates[#]

Mark Searle[#]

John Stalker*

Jayne Sutcliffe*

Wu Yuan[#]

* *Non-Executive Directors*

[#] *Independent Non-Executive Directors*

Hong Kong, 18 March 2008