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中国神华能源股份有限公司
CHINA SHENHUA ENERGY COMPANY LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1088)

CONTINUING CONNECTED TRANSACTIONS
2007 POWER PURCHASE AGREEMENTS

Reference is made to the Announcement by the Company dated 30 December, 2006 in relation to the 2007 Power Purchase Agreements, and the related circular issued by the Company dated 23 January, 2007.

The Board would like to announce that the Group has been successful in its bid pursuant to the tender process for the acquisition of equity interests in Panshan Power and Suizhong Power. However, the proposed acquisitions are pending final approvals by the relevant PRC government authority and accordingly the Group has yet to enter into agreements in respect of the proposed acquisitions.

In addition, the Group has entered into three definitive agreements for power supply with the Power Purchasers and is in discussions with the Power Purchasers in respect of the remaining six Power Purchase Agreements. The terms of the three Power Purchase Agreement which have been entered into so far are substantially the same as for 2006, and are as described in the Announcement.

Reference is made to the Announcement by the Company dated 30 December, 2006 in relation to the 2007 power purchase agreements, and the related circular issued by the Company dated 23 January, 2007. Pursuant to the Announcement, the Company had undertaken to make an announcement to update shareholders on the status of the tender process and of the Power Purchase Agreements if the proposed divestment by NCPG and LPPC of their respective interests in Panshan Power and Suizhong Power does not conclude on or prior to 28 February, 2007.

The Board would like to announce that the Group has been successful in its bid pursuant to the tender process for the acquisition of equity interests in Panshan Power and Suizhong Power. However, the proposed acquisitions are pending final approvals by the relevant PRC government authority and accordingly the Group has yet to enter into agreements in respect of the proposed acquisitions. The Company will make a further announcement pursuant to the Listing Rules when the acquisition agreements have been entered into.

In addition, the relevant PRC government authorities have announced the pricing policies for power supply and annual allocations to power grid companies and the Group has been in discussions with power grid companies to enter into power purchase agreements for 2007. To date, the Group has entered into three definitive agreements for power supply with the Power Purchasers and is in discussions with the Power Purchasers in respect of the remaining six Power Purchase Agreements. The terms of the three Power Purchase Agreement which have been entered into so far are substantially the same as for 2006, and are as described in the Announcement. The aggregate values for the power supply during 2007 have not exceeded the annual cap set out in the Announcement.

DEFINITIONS

In this announcement, the following expressions have the following meaning unless the context requires otherwise:

“Announcement”	the announcement dated 30 December, 2006 and made by the Company in relation to the 2007 Power Purchase Agreements continuing connected transaction;
“Board”	The board of Directors;
“Company”	中國神華能源股份有限公司 (China Shenhua Energy Company Limited), a joint stock limited company incorporated in the PRC with limited liability, the H shares of which are listed on the Stock Exchange;
“Directors”	The directors of the Company, including the executive, non-executive and independent non-executive directors of the Company;
“Group”	The Company and its subsidiaries;
“LPPC”	遼寧省電力有限公司 (Liaoning Power Company), a state owned enterprise which is owned or controlled by SGCC;
“NCPG”	華北電網有限責任公司 (North China Power Grid Co., Ltd), a state owned enterprise which is owned or controlled by SGCC;
“Panshan Power”	天津國華盤山發電有限責任公司 (Tianjin Guohua Panshan Power Generation Company), a non-wholly owned subsidiary in which the Group has a 50% interest. Panshan Power is accounted for as a subsidiary of the Company as the Group has the right to appoint a majority of its board of directors;
“SGCC”	國家電網公司 (State Grid Corporation of China) the controlling shareholder of NCPG and LPPC;

“Suizhong Power”	綏中發電有限責任公司 (Suizhong Power Company Limited), a non-wholly owned subsidiary in which the Company has a 50% interest. Suizhong Power is accounted for as a subsidiary of the Company as the Group has the right to appoint a majority of its board of directors; and
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“Power Purchase Agreements”	the yearly power purchase agreements entered into between members of the Group and the Power Purchasers for the supply of power;
“Power Purchasers”	the power grid companies which are owned by SGCC, and to which the Group supplies power; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

By order of the Board
China Shenhua Energy Company Limited
Chen Biting
Chairman

Beijing, 14 March, 2007

As at the date of this announcement, the Board comprises Mr. Chen Biting and Dr. Ling Wen, as executive Directors, Dr. Zhang Xiwu, Dr. Zhang Yuzhuo and Mr. Han Jianguo, as non-executive Directors, and Mr. Huang Yicheng, Mr. Anthony Francis Neoh and Dr. Chen Xiaoyue, as independent non-executive Directors.

Please also refer to the published version of this announcement in South China Morning Post.