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## **UNITED ENERGY GROUP LIMITED**

### **聯合能源集團有限公司**

*(incorporated in Cayman Islands and continued in Bermuda with limited liability)*

**(Stock Code: 467)**

**(the “Company”)**

### **POSSIBLE INVESTMENT IN TRANSMERIDIAN**

On 17 November 2008, the Company announced that Transmeridian Exploration Incorporated (“**Transmeridian**”) and the Company had mutually agreed to terminate the amended and restated investment agreement entered into by the Company and Transmeridian dated as of 11 June 2008 and amended and restated as of 22 September 2008 and were exploring alternative transactions on a non-exclusive basis.

The Company wishes to update shareholders as to such alternative transactions. The Company has made a proposal to Transmeridian of a possible investment of up to US\$130 million for:

- (i) all of Transmeridian’s 12% senior secured notes due December 2010;
- (ii) all of Transmeridian’s outstanding 15% senior redeemable convertible preferred stock;
- (iii) all of Transmeridian’s 20% junior redeemable convertible preferred stock (the “Junior Preferred Stock”) (including all additional returns payable under the additional return agreements entered into by Transmeridian and certain holders of the Junior Preferred Stock); and
- (iv) all of Transmeridian’s outstanding common stock and other outstanding securities, including warrants and options convertible into common stock.

As part of such investment, the Company may provide funding for Transmeridian’s working capital requirements and the Company may also provide management and engineering resources to Transmeridian.

As at the date of this announcement, the Company has not agreed or entered into any binding terms or agreement to make any investment as a result of such proposals.

Such proposals may or may not lead to any such agreement being entered into by the Company and even if any agreement is reached, the terms of such agreement may not reflect any of the above.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

The Company will issue further announcements as and when appropriate.

By Order of the Board  
**UNITED ENERGY GROUP LIMITED**  
**Zhang Meiying**  
*Director*

21 November 2008

*As at the date of this announcement, the executive Directors are Mr. Zhang Hongwei, Mr. Zhu Jun and Ms. Zhang Meiying, and the independent non-executive Directors are Mr. Chau Siu Wai, Mr. San Fung and Mr. Zhu Chengwu.*