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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)

ANNOUNCEMENT PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board of the Company wishes to inform the shareholders of the Company and potential investors that it is expected that the losses of the Group for the year ending 31 March 2009 will increase significantly as compared with the same period for the previous financial year.

The information contained in this announcement is only based on the Company's preliminary review of the consolidated management accounts of the Group, which have not been audited by the Company's auditors.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The board of Directors (the "**Board**") of United Energy Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to inform the shareholders of the Company and potential investors that, based on information currently available, the losses of the Group for the year ending 31 March 2009 are expected to increase significantly as compared with the same period for the previous financial year. The losses are mainly due to the provisional reduction in value of the holding, by the Company, of approximately HK\$218 million of senior notes of Transmeridian Exploration Incorporated ("**Transmeridian**"). Transmeridian has defaulted on payment of the January 2009 coupon payment in respect of its senior notes.

In addition, in the course of and for the purpose of the Company's oil production business, on 26 June 2008, the Company purchased US\$12 million of oil production related equipment from Transmeridian. Transmeridian has failed to make delivery of such equipment. The Company has engaged legal advisors and is currently pursuing arbitration proceedings in Singapore under the Rules of Arbitration of the International Chamber of Commerce. Although the Board considers the relevant equipment purchase contract to be valid and binding, consistent with prudent accounting practices, the Company is considering making provision for this in its forthcoming financial statements.

The information contained in this announcement is only based on the Company's preliminary review of the consolidated management accounts of the Group, which have not been audited by the Company's auditors. Further details of the Group's performance will be disclosed when the Group's results for the year ended 31 March 2009 are announced.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

By Order of the Board
United Energy Group Limited
Zhang Meiying
Director

Hong Kong, 2 March 2009

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