

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

UNITED ENERGY GROUP LIMITED

聯合能源集團有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 467)

(1) VERY SUBSTANTIAL ACQUISITION OF BUSINESS AND ASSETS; (2) UPDATE ON PROSPECTS AND STRATEGY

The Board is pleased to announce that on 30 August 2011, the Government of Pakistan had approved the transfer of working interests in the Business to the Buyer under the Acquisition Agreement, and all relevant governmental consents have been received. In accordance with the Acquisition Agreement, Closing of the Acquisition will take place on 15 September 2011 or any other date mutually agreed between the Company and the Seller.

As part of its stated strategy to grow through acquisitions of suitable oil and natural gas assets, and build its momentum of expansion in overseas investment projects, with the aim of acquiring high quality assets and accreting value for the shareholders of the Company, the Company is currently assessing a number of possible opportunities in the oil and natural gas sector for acquisition or investment. **The transactions contemplated under these preliminary assessments may or may not be consummated. Shareholders and investors should exercise caution when dealing in the shares of the Company.**

Reference is made to the circular of the Company dated 24 June 2011 (the “Circular”), the SGM held on 15 July 2011, and the announcement of the Company dated 15 July 2011. Unless otherwise defined herein, terms used in this announcement shall have the same meanings as defined in the Circular.

Receipt of approval from the Government of Pakistan and Closing

The Board is pleased to announce that on 30 August 2011, the Government of Pakistan had approved the transfer of working interests in the Business to the Buyer under the Acquisition Agreement, and all relevant governmental consents have been received. In accordance with the Acquisition Agreement, Closing of the Acquisition will take place on 15 September 2011 or any other date mutually agreed between the Company and the Sellers (subject to the fulfillment of the remaining outstanding conditions precedent, which the Board expects to be fulfilled prior to the scheduled Closing date barring any unforeseen circumstances).

Prospects and Strategy

The Group is mainly engaged in the development of strategic energy reserves, focusing on the investment and operation of oil, natural gas and other energy related businesses. As part of its stated strategy, the Group seeks to continue to grow through acquisitions of suitable oil

and natural gas assets, and build its momentum of expansion in overseas investment projects, with the aim of acquiring high quality assets and accreting value for the shareholders of the Company.

The Company is currently assessing a number of possible opportunities in the oil and natural gas sector for acquisition or investment. Based on preliminary assessments by the Company, if these discussions were to lead to an agreement for the Group to make such an acquisition, it would likely constitute either a major transaction or a very substantial acquisition of the Company under the Listing Rules. The consideration for such possible acquisitions may be satisfied by way of cash or the issue of Shares or securities convertible into Shares, or a combination thereof. **However, no binding agreement for acquisition of or investment has been entered into as at the date of this announcement, and the transactions contemplated under these preliminary assessments may or may not be consummated. Shareholders and investors should exercise caution when dealing in the shares of the Company.**

By order of the Board
United Energy Group Limited
Zhang Hong Wei
Chairman

Hong Kong, 31 August 2011

As at the date of this announcement, the executive directors of the Company are Mr. Zhang Hong Wei (chairman), Mr. Zhu Jun, Ms. Zhang Meiyong and Mr. Andrew Leo Kirby, the non-executive director is Mr. Ho King Fung, Eric, and the independent non-executive directors are Mr. Chau Siu Wai, Mr. San Fung and Mr. Zhu Chengwu.