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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)

SHARE MATCH SCHEME

On the date of this announcement, the Board is pleased to announce that it has approved and adopted the Scheme pursuant to which new Shares may be allotted and issued to the Trustee under general mandates granted or to be granted by the Shareholders at general meetings from time to time and be held in trust for the Participating Employees until the end of each vesting period. As part of the acquisition of BP's upstream business and assets in Pakistan, and as the Group becomes an internationally competitive business, the Board has decided to adopt a share match scheme as part of a long term incentive plan for its employees.

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Objectives

The objectives of the Scheme are to provide the Employees in Pakistan with incentives in order to retain them for the continual operation and development of the Group in Pakistan and to attract suitable personnel for the growth and further development of the Group.

Administration

The Scheme shall be subject to the administration of the Board in accordance with the Scheme Rules.

Duration

Subject to any early termination as may be determined by the Board pursuant to the Scheme Rules, the Scheme shall be valid and effective for a term of ten (10) years and ending on 31 August 2021.

Scheme Limit

The maximum number of Shares which may be granted to the employees of the Group (including the Participating Employees) under the Scheme together with Other Share Schemes is ten percent (10%) of the total issued Shares as at the Adoption Date.

The maximum number of Shares which may be vested in an employee of the Group (including the Participating Employees) under the Scheme together with Other Share Schemes is one percent (1%) of the total issued Shares as at the Adoption Date.

Restrictions

No payment shall be made to the Trustee pursuant to the Scheme Rules and no instructions to acquire Shares shall be given to the Trustee under the Scheme where any Director is in possession of unpublished price sensitive information in relation to the Company or where dealings by Directors are prohibited under any code or requirement of the Listing Rules and all applicable laws, rules and regulations from time to time.

Operation

The Employer will issue an invitation letter to each of the Employees inviting the Employees to enroll and participate in the Scheme. Each Employee may indicate in the prescribed form whether he wishes to participate in the Scheme and if so, to determine the sum of the Employee Contribution Amount which he is desirous of contributing to the Scheme applicable to the coming Scheme Year and whether he wishes to apply to the Employer for an interest-free loan for the payment of the Employee Contribution Amount.

For the purpose of the Scheme, the Employer will refer to the closing price of the Shares as at 1 September of a particular Scheme Year (if 1 September of a particular Scheme Year is not a Business Day, then its immediate preceding Business Day) as reference price for ascertaining the number of the Scheme Shares to which all the Participating Employees are entitled given the payment of the total sum of the Employee Contribution Amount and the Employer Contribution Amount (the **“Ascertained Scheme Shares in Aggregate”**).

The Company shall cause to be paid the Reference Amount to the Trustee for the acquisition of the Ascertained Scheme Shares in Aggregate.

The Trustee shall apply the Reference Amount towards the acquisition of the Ascertained Scheme Shares in Aggregate by way of application for allotment to the Company or otherwise subject to and in accordance with the Listing Rules and shall hold such Shares until they are vested in accordance with the Scheme Rules and the Trust Deed.

The Reference Date and the date for ascertaining the Ascertained Scheme Shares in Aggregate for the Scheme Year 2011 will be 1 September 2011 notwithstanding that the Adoption Date is after 1 September 2011.

The Company shall comply with the Listing Rules when issuing the new Scheme Shares and application will be made to the Stock Exchange for the granting of the listing of, and permission to deal in the new Scheme Shares to be issued.

The Company intends to use the general mandate available at the time of allotting and issuing the Scheme Shares in accordance with the terms of the Scheme.

For the Participating Employees who are connected persons (as defined under Chapter 14A of the Listing Rules) of the Company, the Company will comply with the relevant provisions of the Listing Rules in relation to the reporting, announcement and independent Shareholders' approval requirements.

Vesting

Any Scheme Shares and the Related Income held by the Trustee and which are referable to a Participating Employee shall vest in that Participating Employee in accordance with the timetable and conditions as imposed by the Board at its absolute discretion, provided that the Participating Employee remains under the employment of the Employer at all times after the Reference Date and on the relevant Vesting Date(s).

In respect of a Participating Employee who dies or retires at his normal retirement date or earlier by agreement with the Employer, or otherwise ceases to be an Employee (save and except dismissal due to Gross Misconduct and voluntary resignation) (collectively the “**Relevant Events**”) at any time prior to a Vesting Date, all the Scheme Shares and the Related Income of that Participating Employee (including both the Scheme Shares acquired with the Employee Contribution Amount and the Employer Contribution Amount and the Related Income derived therefrom) shall be deemed to be vested in that Participating Employee on the day immediately prior to the effective date of the Relevant Events.

In respect of a Participating Employee who voluntarily resigns at any time prior to the Vesting Date, (i) all the Scheme Shares and the Related Income of that resigning Participating Employee which were acquired with the Employee Contribution Amount and (ii) pro rata amount of the Scheme Shares and the Related Income of that resigning Participating Employee which were acquired with the Employer Contribution Amount shall be deemed to be vested in that resigning Participating

Employee on the last employment date with the Employer.

If there occurs any one or more of the following events, all the Scheme Shares and the Related Income (including both the Scheme Shares acquired with the Employee Contribution Amount and the Employer Contribution Amount and the Related Income derived therefrom) of all the Participating Employees shall immediately vest on the date when such event becomes or is declared unconditional and such date shall be deemed the Vesting Date :

- (a) change in control of the Company or the Employer, whether by way of offer, merger, scheme of arrangement or otherwise;
- (b) the Employer ceases to be a Subsidiary of the Company (or of a member of the Group); or
- (c) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company (other than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company).

Lapse

In the event that a Participating Employee ceases to be an Employee due to his Gross Misconduct before the relevant Vesting Date, the unvested Scheme Shares and the Related Income granted to that Participating Employee out of the Employer Contribution Amount shall automatically lapse forthwith and such unvested Scheme Shares and Related Income shall not be vested in that Participating Employee but shall become and for all intents and purposes be deemed to become Returned Shares for the purposes of the Scheme.

In the event (a) a Participating Employee is found to be an Excluded Employee; or (b) a Participating Employee fails to return duly executed transfer documents prescribed by the Trustee for the relevant Scheme Shares and Related Income within the stipulated period, the relevant part of the Scheme Shares referable to such Participating Employee shall automatically lapse forthwith and the relevant Scheme Shares and Related Income shall not be vested in the relevant Participating Employee but shall become Returned Shares for the purposes of the Scheme.

Rights and Restrictions

The Trustee shall not exercise the voting rights in respect of any Shares held by it as nominee or under the Trust, including but not limited to the Scheme Shares and the Returned Shares.

A Participating Employee shall not have any interest or rights (including the right to vote or receive dividends or cash income) in the Scheme Shares and Related Income until the Scheme Shares and Related Income are vested in the Participating Employee.

Termination

The Scheme shall terminate on the earlier of (a) the tenth (10th) anniversary date of the Adoption Date; (b) the date when an order for the winding-up of the Company is made; and (c) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Participating Employee under the Scheme.

Definition

Unless otherwise defined, the following expressions in this announcement have the following meanings:

- “Adoption Date”** means the date on which the Underlying Transaction is completed on 16 September 2011 and being the date on which the Scheme is to be adopted by the Board.
- “Board”** means the board of directors of the Company, including such committee or such sub-committee or person(s) delegated with the power and authority by the board of directors of the Company to administer the Scheme.
- “Company”** means United Energy Group Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liabilities, the shares of which are listed on the main board of the Stock Exchange.
- “Employee”** means any employee in Pakistan of the Employer whether part time or full time and whether becoming the employee of the Employer before or after the Adoption Date.
- “Employer”** means United Energy Pakistan Limited, a company incorporated in the Republic of Mauritius, being an indirect wholly own subsidiary of the Company.
- “Employee Contribution Amount”** means the sum of money from time to time contributed by the Participating Employee for the participation in the Scheme.
- “Employer Contribution Amount”** means the sum of money from time to time paid by the Company out of its resources equivalent to the sum of the Employee Contribution Amount.
- “Excluded Employee”** means any Employee who is resident in any place where, as determined by the Board or the Trustee (as the case

may be), the grant, vesting and/or settlement of the Scheme Shares and Related Income pursuant to the terms of the Scheme at the time of the proposed grant, vesting and/or settlement is not permitted under the laws and regulations of such place, or where in the view of the Board or the Trustee (as the case may be), compliance with the applicable laws and regulations of such place makes it necessary or expedient to exclude such Employee.

- “Gross Misconduct”** includes such gross misconduct as violence at work place, drunkenness, stealing, bullying or other material breach of the Employer’s policies and practices for the time being in force as interpreted by the Employer at its sole and absolute discretion.
- “Group”** means the Company and its Subsidiaries (including the Employer) and **“member of the Group”** shall be construed accordingly.
- “Hong Kong”** means the Hong Kong Special Administrative Region of the People’s Republic of China.
- “Listing Rules”** means the Rules Governing the Listing of Securities on the Stock Exchange as amended, modified or supplemented from time to time.
- “Other Share Schemes”** means any other share schemes for the time being or to be adopted by the Company to all the employees of the Group (including the Employees and the Participating Employees), but excluding the share option scheme adopted by the Company and the scheme under which the warrant is issued or granted by the Company.
- “Participating Employee”** means any Employee, excluding the Excluded Employees, agreeing in writing to participate in the Scheme in accordance with the Scheme Rules or (where the context so permits) the legal personal representative of such deceased Participating Employee.
- “Reference Amount”** means the aggregate sum of (i) the Employee Contribution Amount of each Participating Employee, (ii) the Employer Contribution Amount for each of the Participating Employee, and (iii) the related acquisition expenses (including for the time being, the brokerage fee, stamp duty, SFC transaction levy, Stock Exchange trading fee (if any)) and such other necessary expenses

required for the completion of the acquisition of the Ascertained Scheme Shares in Aggregate for a particular Scheme Year.

- “Reference Date”** means 1 September of each Scheme Year in which the Participating Employees participate in the Scheme.
- “Related Income”** in relation to the Scheme Shares, means all incomes, whether in the form of cash or non-cash, derived from the relevant Scheme Shares, including but without limitation, any dividends, bonus shares and scrip shares received in connection with the relevant Scheme Shares, but excluding, for the avoidance of doubt, the Residual Cash.
- “Residual Cash”** means the cash remaining in the trust fund set up by the Trustee in respect of the Scheme not derived from the Scheme Shares, including interest income derived from deposits maintained with banks in Hong Kong.
- “Returned Shares”** means such Scheme Shares and Related Income held by the Trustee upon the Trust under the Scheme which are not vested and/or are forfeited in accordance with the Scheme Rules, or such Shares being deemed to be Returned Shares in accordance with the terms of the Scheme.
- “Scheme”** means the share match scheme of the Company approved and adopted by the Board on the date of this announcement, in its present form or as amended from time to time in accordance with the Scheme Rules.
- “Scheme Rules”** means the rules relating to the Scheme, as amended, modified or supplemented from time to time.
- “Scheme Shares”** means the Shares from time to time acquired with the Reference Amount for the Participating Employees.
- “Scheme Year”** means each year starting from 1 September to 31 August the next year.
- “Scheme Year 2011”** means the Scheme Year starting from 1 September 2011 to 31 August 2012, notwithstanding that the Adoption Date is after 1 September 2011.
- “SFC”** means the Securities and Futures Commission of Hong Kong.

“Shareholder(s)”	means the holders of the Shares.
“Share(s)”	means ordinary shares of HK\$0.01 each in the share capital of the Company.
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited.
“Subsidiaries”	means companies which are for the time being and from time to time subsidiaries (within the meaning of section 2 of the Companies Ordinance (Cap.32 Laws of Hong Kong)) of the Company, whether incorporated in Hong Kong or elsewhere.
“Trust”	means the trust constituted by the Trust Deed.
“Trust Deed”	means the trust deed to be entered into between the Company and the Trustee (as restated, supplemented and amended from time to time) in respect of, inter alia, the constitution of the employee share trust pursuant to the Scheme and the appointment of the Trustee for the administration of the Scheme.
“Trustee”	means Bank of Communications Trustee Limited, and any additional or replacement trustees, being the trustee or trustees for the time being of the Trust under the Trust Deed.
“Underlying Transaction”	means the transaction that the Employer as purchaser acquires certain business of BP p.l.c. in Pakistan.
“Vesting Date”	means in respect of a Participating Employee, the date on which the Participating Employee’s entitlement to the Scheme Shares and Related Income is vested in accordance with the terms and conditions of the Scheme Rules.

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

Hong Kong, 16 September 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.