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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)

### **VOLUNTARY ANNOUNCEMENT BUSINESS UPDATE**

#### **BUSINESS UPDATE**

United Energy Group Limited (the “Company”) wishes to provide a business update of the Company during the first quarter of financial year 2012 (“the period”) with the objective of enabling our shareholders and potential investors to appraise the Company’s operational performance.

#### **I. PAKISTAN ASSETS:**

##### ***A. Exploration and Production Overview***

The Company is pleased to present an overview on exploration and production of our Pakistan assets as below:

Average net production of Pakistan assets has been reached 21,500 barrels of oil equivalent (“boe”). During the period, unaudited sales price per boe before royalty amounted to US\$ 41, as compared US\$36.7 same period last year. Moreover, the assets recorded a substantial growth in production during the period, the daily production surged from 21,000 boe per day at the end of last year to 24,700 boe per day as at 31 March 2012, representing an increase of 17.6%.

During the period, the Company has accomplished a few tasks, including: (i) completed a drilling activity of 3 exploration wells and 2 development wells with 100% success rate; (ii) finished workovers for five wells; (iii) collected 3D seismic data for 524 km<sup>2</sup> in MKK.

##### ***B. New Discoveries***

During the period, the Company completed drilling works for three exploration wells in Badin area:

##### **Mohano-1**

Location: Badin I

Type of Product: Oil

Initial Production Rate: 300 barrels (“bbls”) per day

Current Production Rate: 200 bbls per day

##### **Gharo-1**

Location: Badin I

Type of Product: Oil

Initial Production Rate: 792 bbls per day

Current Production Rate: 1,050 bbls per day

### **Pir Apan-1**

Location: Badin II

Type of Product: Oil and Gas

Initial Production Rate: Oil Condensate - 30 bbls per day, Gas – 4,000 mcf per day

Current Production Rate: Oil Condensate – 484 bbls per day, Gas – 19,000 mcf per day

### ***C. Seismic Plan***

Location: MKK

Seismic Data: 3D Seismic

Recorded Period: Since January 2012

Planned Area: 1,560 km<sup>2</sup>

Realized Portion: 524 km<sup>2</sup>

## **II. LIAOHE EOR PROJECT, CHINA:**

Regarding the Company's Enhanced Oil Recovery ("EOR") production in Gaosheng Block, Liaohe Oil Field in China, the average daily production level attributed to the Company has been increased from the annualized 761 bbls per day in financial year 2011 to 1,100 bbls per day for the first quarter in 2012, representing an increase of 223% versus 340 bbls per day reported in the same period last year.

### **GENERAL**

Shareholders and potential investors of the shares of the Company should note that the abovementioned voluntary announcement contains or will contain certain targets which may or may not materialize. Shareholders and potential investors of the shares of the Company 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, 24 April 2012

*As at the date of this announcement, the executive directors of the Company are Mr. Zhang Hong Wei (Chairman), Mr. Zhu Jun, Ms. Zhang Meiyang 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.*