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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)

ISSUE OF NEW SHARES UNDER THE SHARE MATCH SCHEME FOR SCHEME YEAR 2012

In relation to the Employees' participation to the Scheme for Scheme Year 2012, on 22 October 2012, the Board resolved to award 4,620,138 new Shares as the Scheme Shares to 519 Participating Employees by way of issue and allotment of new Shares of the Company pursuant to the Scheme under the General Mandate.

The Company shall cause to be paid the subscription money for the 4,620,138 new Scheme Shares at HK\$1.14 per Scheme Shares from the Company's resources to the Trustee. The Trustee shall subscribe for 4,620,138 new Scheme Shares for cash. Upon allotment of the new Scheme Shares, the Trustee will hold them on trust for the Participating Employees and will transfer them to the Participating Employees at no cost to the Participating Employees upon all vesting conditions specified by the Board having been satisfied.

Reference is made to the announcement of the Company dated 16 September 2011 in relation to the adoption of the Scheme by the Board on 16 September 2011 and the announcement of the Company dated 10 January 2012 in relation to issue of new Shares under the Scheme.

On 3 September 2012, the Employer issued an invitation letter to each of the Employees in accordance with the Scheme Rules to invite the Employees to enrol and participate in the Scheme for Scheme Year 2012. The Employer received from the Participating Employees their replies to enrol and participate in the Scheme together with their confirmation as to the sum of the Employee Contribution Amount which each Participating Employee is desirous of contributing to the Scheme for Scheme Year 2012 and their confirmation as to whether they wish to apply to the Employer for an interest-free instalment loan for the payment of the Employee Contribution Amount, to be repaid to the Employer on monthly basis and out of their salary.

Based on the replies from the Participating Employees, there are 519 Participating Employees enrolling and participating in the Scheme for Scheme Year 2012 and the total sum of the Employee Contribution Amount and the corresponding sum of the Employer Contribution Amount of all the Participating Employees for Scheme Year

2012 has been calculated, and taking reference to the closing price of the Shares as at 31 August 2012 in accordance with the Scheme Rules, the Company has ascertained that the aggregate number of the Scheme Shares to which all the Participating Employees are entitled for Scheme Year 2012 is 4,620,138 Scheme Shares.

For the purpose of the Scheme for Scheme Year 2012, the Board on 22 October 2012 resolved to issue and allot 4,620,138 new Shares as the Scheme Shares to the Trustee at HK\$1.14 per Share (which is the same as the closing price of the Shares as at 31 August 2012 in accordance with the Scheme Rules) pursuant to the terms of the Scheme under the General Mandate.

Immediately prior to the issue of 4,620,138 new Shares as the Scheme Shares, the unutilised portion of the General Mandate is 2,556,775,102 shares which the Board may issue and allot. As only 4,620,138 new Shares are to be issued and allotted under the General Mandate, which is less than the unutilised portion of the General Mandate, such issue and allotment is not subject to further Shareholders' approval.

The Company shall cause to be paid the subscription money of HK\$5,266,957.32 for the 4,620,138 new Scheme Shares from the Company's resources to the Trustee. The Trustee shall subscribe for 4,620,138 new Scheme Shares at HK\$1.14 each for cash. Upon allotment of the new Scheme Shares, the Trustee will hold them on trust for the Participating Employees and will transfer them to the Participating Employees at no cost to the Participating Employees upon all vesting conditions specified by the Board having been satisfied in accordance with the Scheme Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Trustee and all the Participating Employees enrolling and participating in the Scheme for Scheme Year 2012 and their respective ultimate beneficial owners (if applicable and if any) are third parties independent of the Company and connected persons of the Company.

The 4,620,138 new Scheme Shares to be issued and allotted by the Company to the Trustee represent approximately (a) 0.18% of the maximum number of Shares that can be issued and allotted under the General Mandate; (b) 0.035% of the existing issued share capital of the Company as at the date of this announcement; and (c) 0.035% of the issued share capital of the Company as enlarged by the issue and allotment of the new Scheme Shares.

The new Scheme Shares, when issued and fully paid, will rank pari passu among themselves and with those Shares in issue, with the right to receive all dividends and other distributions declared, made or paid on or after the date of allotment.

Application will be made by the Company to the Stock Exchange for granting of the listing of, and permission to deal in, the aggregate 4,620,138 new Scheme Shares.

As at the date of this announcement, save for the issue and allotment of the 4,620,138 new Scheme Shares under the Scheme for Scheme Year 2012, the Company has not issued or allotted any new Shares under the General Mandate.

The information relating to the issue and allotment of the new 4,620,138 Scheme Shares is set out below:-

Securities to be issued:	4,620,138 ordinary shares of HK\$0.01 each in the share capital of the Company, with an aggregate nominal value at HK\$46,201.38.
Issue price and net price:	<p>The new Scheme Shares shall be issued and allotted at HK\$1.14, which is the same as the closing price of the Shares as at 31 August 2012 in accordance with the Scheme Rules.</p> <p>The net price of the new Scheme Shares is the same as the issue price.</p>
Funds to be raised:	<p>HK\$2,633,478.66, being the amount raised by the Company from the Employee Contribution Amount through the issue and allotment of the new Scheme Shares will be used to offset the running costs of the Scheme, and the remaining balance (if any) will be used as general working capital of the Company.</p> <p>HK\$2,633,478.66, being the amount of the corresponding Employer Contribution Amount, shall be paid out of the internal resources of the Company and shall be paid to the Trustee and used together with the Employee Contribution Amount as subscription money for the new Scheme Shares.</p>
Reasons for the issue:	For better utilisation of the resources of the Company, the issue is to make available the Scheme Shares for granting to the Participating Employees under the Scheme, which forms part of the incentive schemes of the Company that retain the Employees for the continual operation in Pakistan and development of the Group and to attract suitable personnel for the growth and further development of the Group.
Identity of the allottee:	The Trustee, which will hold the Scheme Shares in trust in accordance with the Trust Deed for 519 Participating Employees, being all the Participating Employees who enrolled and participated in the Scheme for Scheme Year 2012.
Market price of the Shares:	The closing price of the Shares as at 31 August 2012 as quoted on the Stock Exchange is HK\$1.14 per Share.

Fund raising activities in the past 12 months:	Save for the allotments of Shares for i) Scheme Year 2011 under the Scheme on 19 January 2012; ii) exercise of share options by employees on 1 June 2012 and 5 July 2012; and iii) exercise of unlisted warrants by warrant holder on 31 July 2012 and granting of share options to employees on 29 August 2012, the Company has not engaged in any fund raising activities in the 12 months immediately preceding the date of this announcement.
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Definition

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

“Adoption Date”	means 16 September 2011, being the date on which the Scheme was approved and 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.
“Director(s)”	means the director(s) of the Company.
“Employee”	means any employee 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.

“General Mandate”	means the general mandate granted by the Shareholders at the annual general meeting of the Company held on 29 May 2012, under which the Directors may issue and allot up to 2,556,775,102 Shares.
“Group”	means the Company and its Subsidiaries (including the Employer) and “member of the Group” shall be construed accordingly.
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong.
“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.
“Participating Employees”	means the Employees agreeing in writing to participate to the Scheme for Scheme Year 2012 in accordance with the Scheme Rules.
“Scheme”	means the share match scheme of the Company approved and adopted by the Board on the Adoption Date, 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 for the Participating Employees.
“Scheme Year 2011”	means the Scheme Year starting from 1 September 2011 to 31 August 2012.
“Scheme Year 2012”	means the Scheme Year starting from 1 September 2012 to 31 August 2013.
“Shareholder(s)”	means the shareholders of the Company.
“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 Deed” means the trust deed dated 16 September 2011 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 appointed by the Company for the administration of the Scheme.

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

Hong Kong, 22 October 2012

As at the date of this announcement, the executive directors of the Company are Mr. Zhang Hong Wei (chairman), Mr. Zhu Jun and Ms. Zhang Meiyang and the independent non-executive directors are Mr. Chau Siu Wai, Mr. San Fung and Mr. Zhu Chengwu.