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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 DEFERRED ANNUAL BONUS SCHEME, THE EXECUTIVE PERFORMANCE SHARE SCHEME, AND THE PERFORMANCE SHARE SCHEME

On 31 January 2013, the Board has resolved to award a total of 3,179,282 Scheme Shares to 14 Participating Employees of the Schemes by way of allotment of new Shares pursuant to three separate Schemes under the General Mandate, in particular (i) 889,198 Scheme Shares shall be awarded to 2 DAB Participating Employees under the Deferred Annual Bonus Scheme; (ii) 1,301,334 Scheme Shares shall be awarded to 2 EPS Participating Employees under the Executive Performance Share Scheme; and (iii) 988,750 Scheme Shares shall be awarded to 12 PS Participating Employees under the Performance Share Scheme. The Company shall cause to be paid the subscription money for the allotment of the new Shares from the Company's resources to the Trustee. The Trustee shall subscribe for the new Shares in cash. Upon allotment of the new 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 under the relevant Scheme having been satisfied.

Reference is made to the three separate announcements of the Company all dated 28 December 2012 in relation to the adoption of the respective Schemes by the Board on 28 December 2012.

For the purpose of the Deferred Annual Bonus Scheme, the Executive Performance Share Scheme and the Performance Share Scheme for Scheme Year 2012, the Board on 31 January 2013 resolved to issue and allot 3,179,282 new Shares under the General Mandate as the Scheme Shares to the Trustee at the nominal par value pursuant to the terms of each of the respective Schemes. In particular, (i) 889,198 new Shares shall be allotted as the Scheme Shares to the Trustee under the Deferred Annual Bonus Scheme for the 2 DAB Participating Employees; (ii) 1,301,334 new Shares shall be allotted as the Scheme Shares to the Trustee under the Executive Performance Share Scheme for the 2 EPS Participating Employees; and (iii) 988,750 new Shares shall be allotted as the Scheme Shares to the Trustee under the Performance Share Scheme for the 12 PS Participating Employees.

Immediately prior to the issue of 3,179,282 new Shares as the Scheme Shares, the unutilised portion of the General Mandate is 2,552,154,964 shares which the Board may issue and allot. As only 3,179,282 new Shares are to be issued and allotted under the General Mandate as the Scheme Shares, which is less than the unutilised portion of the General Mandate, such issue and allotment is not subject to further Shareholders' approval.

The Board shall cause to be paid the subscription money for the allotment of 3,179,282 new Scheme Shares from the Company's resources to the Trustee. The Trustee shall subscribe for 3,179,282 new Scheme Shares in 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 of each of the respective Schemes.

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 respective Schemes for Scheme Year 2012 and their respective ultimate beneficial owners (if applicable and if any) are third parties independent of the Company and are not connected persons of the Company.

The 3,179,282 new Scheme Shares to be issued and allotted by the Company to the Trustee represent approximately (a) 0.124% of the maximum number of Shares that can be issued and allotted under the General Mandate; (b) 0.024% of the existing issued share capital of the Company as at the date of this announcement; and (c) 0.024% 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 3,179,282 new Scheme Shares.

As at the date of this announcement, save for the issue and allotment of the 3,179,282 new Scheme Shares under the respective Schemes for Scheme Year 2012 and allotment of the 4,620,138 new Shares under the Share Match Scheme for Scheme Year 2012 as per the announcement dated 22 October 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 3,179,282 Scheme Shares is set out below:-

Securities to be issued:	3,179,282 ordinary shares of HK\$0.01 each in the share capital of the Company, with an aggregate nominal value at HK\$31,792.82.
Issue price and net price:	Shares will be issued and allotted at nominal par value.
Funds to be raised:	<p>Nil</p> <p>Note: HK\$31,792.82, which is the total nominal par value of the new Shares to be issued, shall be paid from the Company's resources to the Trustee and shall be used as subscription money for the allotment of the new Scheme Shares.</p>
Reasons for the issue:	To drive success and growth in the shareholder value of the Group and to create long-term value for the eligible Employees of the Group.
Identity of the allottee:	The Trustee, which will hold the Scheme Shares in trust in accordance with the Trust Deeds for the Participating Employees.
Market price of the Shares:	The closing price of the Shares as at 31 January 2013 as quoted on the Stock Exchange is HK\$1.35 per Share.
Fund raising activities in the past 12 months:	<ol style="list-style-type: none"> 1. On 10 January 2012, the Board awarded 6,783,880 Shares under the share match scheme, which generated the net proceeds of HK\$2,781,390.80. 2. On 1 June 2012, the Company issued 1,000,000 Shares pursuant to exercise of the share options by an employee under the share option scheme, which generated the net proceeds of HK\$1,150,000.00. 3. On 5 July 2012, the Company issued 1,000,000 Shares pursuant to exercise of the share options by an employee under the share option scheme, which generated the net proceeds of HK\$900,000.00. 4. On 31 July 2012, the Company issued 250,000,000 Shares pursuant to exercise of the

	<p>subscription rights attached to the unlisted warrants, which generated the net proceeds of HK\$200,000,000.00.</p> <p>5. On 22 October 2012, the Board awarded 4,620,138 Shares under the share match scheme, which generated the net proceeds of HK\$2,633,478.66.</p> <p>Save as disclosed above, the Company has not raised any funds on issue of equity securities in the 12 months immediately preceding this announcement.</p>
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Definition

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

“Adoption Date” means the date on which the Schemes are approved and adopted by the Board, i.e. 28 December 2012.

“Assessment Year 2011” means the Assessment Year starting from 1 January 2011 to 31 December 2011 (both dates inclusive) for the assessment of the Participating Employees’ performance according to each of the respective Schemes.

“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 Schemes.

“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 (Stock Code: 467).

“DAB Employee” means all senior executives of the Employer falling on the rank of Level D or its equivalent rank as designated by the Employer from time to time at the beginning of Assessment Year 2011 and/or at the time the DAB Employee is promoted to such rank, whether part time or full time and whether becoming the employee of the Employer before or after the Adoption Date under the Deferred Annual Bonus Scheme.

“DAB Participating Employee”	means any DAB Employee, excluding the Excluded Employees, participating in the Deferred Annual Bonus Scheme in accordance with the DAB Scheme Rules or (where the context so permits) the legal personal representative of such deceased DAB Participating Employee.
“DAB Scheme Rules”	means the rules relating to the Deferred Annual Bonus Scheme, as amended, modified or supplemented from time to time.
“DAB Trust Deed”	means the trust deed dated 28 December 2012 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 Deferred Annual Bonus Scheme and the appointment of the Trustee for the administration of the Deferred Annual Bonus Scheme.
“Deferred Annual Bonus Scheme”	means the deferred annual bonus 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 provisions of the DAB Scheme Rules.
“Director(s)”	means the director(s) of the Company.
“Employee”	means any or all of the DAB Employee, EPS Employee and PS Employee.
“Employer”	means United Energy Pakistan Limited, a company incorporated in the Republic of Mauritius, being an indirect wholly own subsidiary of the Company.
“EPS Employee”	means all senior executives of the Employer falling on the rank of Level D or its equivalent rank as designated by the Employer from time to time at the beginning of Assessment Year 2011 and/or at the time the EPS Employee is promoted to such rank, whether part time or full time and whether becoming the employee of the Employer before or after the Adoption Date under the Executive Performance Share Scheme.
“EPS Participating Employee”	means any EPS Employee, excluding the Excluded Employees, participating in the Executive Performance Share Scheme in accordance with the EPS Scheme Rules or (where the context so permits) the legal personal representative of such deceased EPS Participating Employee.

“EPS Scheme Rules”	means the rules relating to the Executive Performance Share Scheme, as amended, modified or supplemented from time to time.
“EPS Trust Deed”	means the trust deed dated 28 December 2012 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 Executive Performance Share Scheme and the appointment of the Trustee for the administration of the Executive Performance Share Scheme.
“Executive Performance Share Scheme”	means the executive performance share 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 provisions of the EPS Scheme Rules.
“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 the Related Income pursuant to the terms of any of the Schemes 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.
“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 any or all of the DAB Participating Employee, EPS Participating Employee and PS Participating Employee.
- “Performance Share Scheme” means the performance share 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 provisions of the PS Scheme Rules.
- “PS Employee” means all senior executives of the Employer falling on the rank of Level E and/or Level F or its equivalent rank as designated by the Employer from time to time at the beginning of Assessment Year 2011 and/or at the time the PS Employee is promoted to such rank, whether part time or full time and whether becoming the employee of the Employer before or after the Adoption Date under the Performance Share Scheme.
- “PS Participating Employee” means any PS Employee, excluding the Excluded Employees, participating in the Performance Share Scheme in accordance with the PS Scheme Rules or (where the context so permits) the legal personal representative of such deceased PS Participating Employee.
- “PS Scheme Rules” means the rules relating to the Performance Share Scheme, as amended, modified or supplemented from time to time.
- “PS Trust Deed” means the trust deed dated 28 December 2012 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 Performance Share Scheme and the appointment of the Trustee for the administration of the Performance Share 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 any of the Schemes not derived from the Scheme Shares, including interest income derived from deposits maintained with banks in Hong Kong.

“Schemes”	means collectively the Deferred Annual Bonus Scheme, the Executive Performance Share Scheme and the Performance Share Scheme.
“Scheme Rules”	means collectively the DAB Scheme Rules, the EPS Scheme Rules and the PS Scheme Rules.
“Scheme Shares”	means the Shares to be awarded to a Participating Employee as determined by the Employer in accordance with the Scheme Rules subject to the approval by the Board.
“Scheme Year 2012”	means the Scheme Year starting from 1 January 2012 to 31 December 2012 (both dates inclusive).
“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 Deeds”	means collectively the DAB Trust Deed, the EPS Trust Deed and the PS Trust Deed.
“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, 31 January 2013

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.