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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

Following the positive 2012 financial and operations results announced on 27 March 2013, the Company is pleased to announce that it has delivered satisfactory results in the first quarter of financial year 2013 from its operations in Pakistan Assets and Liaohe EOR Projects in China as follows:

- Average daily net production of approximately 35,964 boed, 58.6% increase from the first quarter of Financial Year 2012
- The Pakistan assets delivered an average daily net production of approximately 34,374 boed, 59.5% increase from the first quarter of Financial Year 2012
- The Liaohe EOR Projects in China delivered an average daily net production of approximately 1,590 bbl/d, 40.5 % increase from the first quarter of Financial Year 2012

United Energy Group Limited (the “Company”) is pleased to provide a business update of the Company for the first quarter of financial year 2013 (“The Period”) with the objective of informing our shareholders and potential investors of the Company’s operational progress and performance.

#### BUSINESS UPDATE

##### I. Pakistan Assets:

###### A. Production and Development Overview

Following the positive 2012 financial and operations results announced on 27 March 2013, the Company reports that the Pakistan assets achieved an average daily net production of approximately 34,374 barrels of oil equivalent (“boe”) per day (“boed”) in the Period, of which 35.1% is oil and liquids, representing a 59.5% increase compared to the first quarter of 2012 (the “Corresponding Period”). Unaudited Composite Realized Sales Price Before Government Take amounted to US\$51.7 per boe for the Period, recording a 26.1% increase compared to that of the Corresponding Period mainly due to the rebound in international energy price and oil & liquids ratio on production contribution in our portfolio during the Period.

The following table summarizes the comparison of the average daily net production level for the asset:

Unit: boed

	Average daily net production for the first quarter of financial year 2013	Average daily net production for the first quarter of financial year 2012	+/-
Pakistan Assets	34,374	21,548	+59.5 %

### B. Exploration and New Discoveries

During the Period, 1,484 km<sup>2</sup> of 3D seismic data has been acquired in onshore area, and 843 km<sup>2</sup> of 3D seismic data acquired in Offshore Block U. Follow on data processing and interpretation work is in progress.

During the Period, the Company has made five new oil and gas discoveries in Badin and MKK areas, which consists of a total of 5,433 km<sup>2</sup> of concession area, of which Naimat West-1 is a significant gas discovery located in MKK area. The estimated development area is up to 18.21 km<sup>2</sup> and the estimated Original Oil & Gas In Place Volume can be up to 661 billion cubic feet (approximately 114 million boe). The current preliminary estimated proved reserves is approximately 13.27 million boe. Based on the Group's net working interest of 71.05% in MKK, the net proved reserves recorded approximately at 9.44 million boe. Since the Group has only completed about 35% of the exploration work in the field and the follow on appraisal work is still in progress, proved reserves are expected to increase significantly after the appraisal work is completed. The Group will accelerate the upgrade of the Naimat West gas processing plant capacity in order to meet the production growth in the future.

The following table summarizes the new oil and gas discovery in the first quarter of 2013:

Area	Wells	Working interest (%)	Type	Initial net production rate (boed)	Current net production rate (boed)
Badin	Lodano-1	100%	Oil & Gas	Put on Production Underway	
Badin	Khaskeli North-1	100%	Gas	1,076	913
Badin	Malah-1	100%	Gas	705	889
MKK	Naimat West-1	71.05%	Gas/ Condensate	1,810	1,207
MKK	Rajpari-1	71.05%	Oil/Gas	Put on Production Underway	

## II. Liaohe Enhanced Oil Recovery (“EOR”) Projects, China:

The Company’s operations in Gaosheng Block in Liaohe Oilfields of China, achieved an average daily net production of 1,590 barrels (“bbl”) per day (“bbld”) in the period representing a 40.5 % increase compared to the first quarter of financial year 2012.

The following table summarizes the comparison of average daily net production level for the projects:

Unit: bbld

	Average daily net production for the first quarter of financial year 2013	Average daily net production for the first quarter of financial year 2012	+/-
Liaohe EOR Projects	1,590	1,132	+40.5%

During the first quarter of 2013, a total of 6 production wells were converted into fireflood producers. As at 31 March 2013, a total of 238 fireflood producers (representing 38% of production wells) were converted into fireflood producers.

### 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, 9 May 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.*

## **Appendix 1**

### Operation Highlights - Pakistan Assets:

<b>Net to the Group</b>	<b>First quarter of financial year 2013 (Unaudited)</b>	<b>First quarter of financial year 2012 (Unaudited)</b>
<b>Average Daily Net Production (boed)</b>	<b>34,374</b>	21,548
<b>Oil &amp; Liquids Ratio (%)</b>	<b>35.1%</b>	26.0%
<b>Composite Realized Sales Price Before Government Take (USD/boe)</b>	<b>51.7</b>	41.0
<b>Net Capex (US\$ million)</b>	<b>87.9</b>	23.7
<b>Exploration Well (No. of Wells Drilled &amp; Completed)</b>	<b>7</b>	3
<b>Development Well (No. of Wells Drilled &amp; completed)</b>	<b>2</b>	2
<b>Rig Workovers (No. Performed)</b>	<b>11</b>	5
<b>3D Seismic Data Acquisition (km<sup>2</sup>)</b>	<b>Onshore: 1,484 Offshore: 843</b>	Onshore: 524

## **Appendix 2**

### **Operation Highlights - Liaohe EOR Projects, China:**

<b>Net to the Group</b>	<b>First quarter of financial year 2013 (Unaudited)</b>	<b>First quarter of financial year 2012 (Unaudited)</b>
<b>Average Daily Net Production (bbld)</b>	<b>1,590</b>	1,132
<b>Development Well (No. of Wells Drilled &amp; Completed)</b>	<b>5</b>	7
<b>Rig Workovers (No. Performed)</b>	<b>2</b>	0
<b>Wells converted into Fireflood Producers (No. of Wells)</b>	<b>6</b>	2