

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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

The Company is pleased to announce a business update in the first half of Financial Year 2013 from its operations in Pakistan Assets and Liaohe EOR Projects in China as follows:

- Average daily net production of approximately 35,472 boed, 43.4% increase from the first half of Financial Year 2012
- The Pakistan assets delivered an average daily net production of approximately 33,862 boed, 43.9% increase from the first half of Financial Year 2012
- The Liaohe EOR Projects in China delivered an average daily net production of approximately 1,610 bbld, 32.8% increase from the first half of Financial Year 2012

United Energy Group Limited (the “Company”) is pleased to provide a business update of the Company for the first half 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

The Company announce that the Pakistan assets achieved an average daily net production of approximately 33,862 barrels of oil equivalent (“boe”) per day (“boed”) in the Period, of which 34.8% is oil and liquids, representing an approximately 43.9% increase compared to the first half of 2012 (the “Corresponding Period”). Unaudited Composite Realized Sales Price Before Government Take amounted to US\$ 49.6 per boe for the Period, recording a 17.5% increase compared to the Corresponding Period, which mainly due to the increase of international energy price and oil & liquids ratio on production contribution in our portfolio during the Period.

During the Period, the Company started a major maintenance and upgrade project on its Pakistan Assets' oil & gas processing facility located in the MKK area which are scheduled to finish by September 2013. It is expected the oil & gas production will pick up in the second half of the year following the recommencement of the processing capacity.

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 half of financial year 2013	Average daily net production for the first half of financial year 2012	+/-
Pakistan Assets	~33,862	~23,531	+43.9 %

B. Exploration and New Discoveries

During the Period, 2,350 km² of 3D seismic data has been acquired in onshore area, and 843 km² 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 8 new oil and gas discoveries in the Badin and MKK areas, which consist of a total of 6,333 km² of concession area, of which Naimat West is a significant gas discovery located in the MKK area. The estimated development area is up to 18.21 km² and the estimated Original Oil & Gas In Place Volume can be up to 661 billion cubic feet (approximately 114 million boe). During the year, the Company plan to drill another 2 appraisal wells in this new discovered area, and collect the latest logging and production data to determine the size and future development plan of the field.

The following table summarizes the new oil and gas discovery in the first half of 2013 (As of 30/6/2013):

Area	Wells	Working interest (%)	Type	Initial net production rate (boed)	Current net production rate (boed)
Badin	Lodano-1	100%	Oil & Gas	~3,762	~3,510
Badin	Khaskeli North-1	100%	Gas	~1,207	~113
Badin	Malah-1	100%	Gas	~711	~483
Badin	Shekhano Deep-1	100%	Oil	~1,807	~343
MKK	Naimat West-1	71.05%	Gas/ Condensate	~1,358	~1,483
MKK	Qabul-1	71.05%	Oil	~50	~14
MKK	Bijoro-1	71.05%	Oil	~213	~79
MKK	Qasim Deep-1	71.05%	Oil / Gas	~2,510	~2,510

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 1,610 barrels (“bbl”) per day (“bbld”) in the period representing a 32.8 % increase compared to the first half 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 half of financial year 2013	Average daily net production for the first half of financial year 2012	+/-
Liaohe EOR Projects	~1,610	~1,212	+32.8%

During the first half of 2013, a total of 19 production wells were converted into fireflood producers. As at 30 June 2013, a total of 251 fireflood producers (representing 40% of production wells) has been 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, 22 July 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:

Net to the Group	First half of financial year 2013 (Unaudited)	First half of financial year 2012 (Unaudited)
Average Daily Net Production (boed)	~33,862	~23,531
Oil & Liquids Ratio (%)	~34.8%	~27.0%
Composite Realized Sales Price Before Government Take (USD/boe)	~49.6	~42.2
Net Capex (US\$ million)	~193.4	~55.6
Exploration Well (No. of Wells Drilled & Completed)	15	4
Development Well (No. of Wells Drilled & completed)	13	9
Rig Workovers (No. Performed)	31	16
3D Seismic Data Acquisition (km²)	Onshore: 2,350 Offshore: 843	Onshore: 1,189

Appendix 2

Operation Highlights - Liaohe EOR Projects, China:

Net to the Group	First half of financial year 2013 (Unaudited)	First half of financial year 2012 (Unaudited)
Average Daily Net Production (bbld)	~1,610	~1,212
Development Well (No. of Wells Drilled & Completed)	8	18
Rig Workovers (No. Performed)	9	6
Wells converted into Fireflood Producers (No. of Wells)	19	1
Coverage of Fireflood Application (%)	~40%	~32%