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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**

The Company is pleased to provide a business update for the third quarter of Financial Year 2013 on its operations in Pakistan Assets and Liaohe EOR Projects in China as follows:

- Average daily net production of approximately 32,352 boed, 26.0% increase from the third quarter of Financial Year 2012
- The Pakistan assets delivered an average daily net production of approximately 30,636 boed, 26.3% increase from the third quarter of Financial Year 2012
- The Liaohe EOR Projects in China delivered an average daily net production of approximately 1,716 bbld, 21.5% increase from the third quarter of Financial Year 2012

United Energy Group Limited (the “Company”) is pleased to provide a business update for the third quarter of Financial Year 2013 (“The Period”) with the objective of informing its 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 30,636 barrels of oil equivalent (“boe”) per day (“boed”) in the Period, of which 35.8% is oil and liquids, representing an approximately 26.3% increase compared to the third quarter of Financial Year 2012 (the “Corresponding Period”). Unaudited Composite Average Sales Price Before Government Take amounted to US\$ 49.0 per boe for the Period, recording a 20.9% increase compared to the Corresponding Period, which was mainly due to an increase in oil and liquids ratio in its production mix.

During the Period, the Company carried out a major maintenance and upgrade of its oil & gas processing facility and optimizing the gas gathering system located in the MKK area. Due to the implementation of the facility upgrade project, average daily net production decreased slightly compare to first half of the year. The work was completed in September 2013 as

planned. Following the recommencement of processing with the upgraded capacity, the Pakistan Asset's production levels are expected to gradually climb to new heights. As at 31 October 2013, the Pakistan Assets already recorded an average daily net production of approximately 36,614 boe (of which 33.2 % is oil and liquids).

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

Unit: boed

	<b>Average daily net production for the third quarter of Financial Year 2013</b>	<b>Average daily net production for the third quarter of Financial Year 2012</b>	<b>+/-</b>
Pakistan Assets	~30,636	~24,259	+26.3 %

### *B. Exploration and New Discoveries*

During the Period, 441 km<sup>2</sup> of 3D seismic data has been acquired in onshore area. Follow on data processing and interpretation work is in progress.

The following table summarizes the new oil and gas discovery in the third quarter of 2013 (As of 30/9/2013):

<b>Area</b>	<b>Wells</b>	<b>Working interest (%)</b>	<b>Type</b>	<b>Initial net production rate (boed)</b>	<b>Current net production rate (boed)</b>
Badin	Jarrar Deep-1	100%	Oil & Gas	~2,900	~3,000
Badin	Lodano Deep-1	100%	Oil & Gas	~3,600	~2,700

## **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 1,716 barrels (“bbl”) per day (“bbld”) in the Period representing a 21.5 % increase compared to the third quarter of Financial Year 2012.

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

Unit: bbld

	<b>Average daily net production for the third quarter of Financial Year 2013</b>	<b>Average daily net production for the third quarter of Financial Year 2012</b>	<b>+/-</b>
Liaohe EOR Projects	~1,716	~1,412	+21.5%

During the Period, a total of 2 production wells were converted into fireflood producers and the Company installs the first air injector in Gao-246 block. This represents another milestone of the Company's adoption of the fireflood technology in the projects. As at 30 September 2013, a total of 253 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, 13 November 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>Third Quarter of Financial Year 2013 (Unaudited)</b>	<b>Third Quarter of Financial Year 2012 (Unaudited)</b>
Average Daily Net Production (boed)	~30,636	~24,259
Oil & Liquids Ratio (%)	~35.8%	~29.5%
Composite Average Sales Price Before Government Take (USD/boe)	~49.0	~40.5
Net Capex (US\$ million)	~76.6	~36.8
Exploration Well (No. of Wells Drilled & Completed)	3	1
Development Well (No. of Wells Drilled & completed)	13	9
Rig Workovers (No. Performed)	7	3
3D Seismic Data Acquisition (km <sup>2</sup> )	Onshore: 441 km <sup>2</sup>	Onshore: 497 km <sup>2</sup>

### 2. Operation Highlights - Liaohe EOR Projects, China:

<b>Net to the Group</b>	<b>Third Quarter of Financial Year 2013 (Unaudited)</b>	<b>Third Quarter of Financial Year 2012 (Unaudited)</b>
Average Daily Net Production (bbld)	~1,716	~1,412
Development Well (No. of Wells Drilled & Completed)	0	2
Rig Workovers (No. Performed)	8	1
Wells converted into Fireflood Producers (No. of Wells)	2	16
Coverage of Fireflood Application (%)	~40%	~34%