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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 OPERATION GUIDANCE FOR 2014

2014 Guidance:

Net Production

- The Group average daily net production forecasted to be 45,800 to 47,900 boed , representing at least 29.0% increase compare to 2013 actual.
- Pakistan Assets' average daily net production forecasted to be 44,000 to 46,000 boed, representing at least 30.0% increase compare to 2013 actual.
- Liaohe EOR Projects' average daily net production forecasted to be 1,800 to 1,900 boed, representing at least 10.0% increase compare to 2013 actual.

Lifting Cost

- Pakistan assets' lifting cost forecasted to be US\$ 5.0 to 5.3 per boe.
- Liaohe EOR Projects' lifting cost forecasted to be US\$ 33.0 to 37.0 per boe.

Capex

- The Group plans its net capex to be US\$ 325.0 to US\$ 345.0 million.
- Pakistan assets' net capex plans to be US\$ 310.0 to US\$ 327.0 million, of which approximately 60% will be spent on exploration activities.
- Liaohe EOR Projects' net capex plans to be US\$ 15.0 to US\$ 18.0 million, of which 100% will be spent on side-track wells and improve the coverage of fireflood application.

Reserve Replacement

- Pakistan Assets' net proved reserves replacement ratio forecasted to be 130% to 170%.

United Energy Group Limited (the “Company”) is pleased to announce that the management has approved the operation guidance for Financial Year 2014 (“2014 Guidance”) for the Company and its subsidiary (collectively referred to as the “Group”). The 2014 Guidance is based on the current operations and tentative work plan for this year. Updated and supplementary voluntary announcements will be issued on a timely basis according to actual business and operations development.

Pakistan Assets

Pakistan Assets’ average daily net production forecasted to be 44,000 to 46,000 barrels of oil equivalent (“boe”) per day (“boed”), representing at least 30.0% increase compare to 2013 actual. Lifting Cost forecasted to be US\$5.0 to US\$5.3 per boe. Net Capital Expenditure (“Capex”) plans to be US\$310.0 to 327.0 million, which approximately 60% will spend on exploration activities. The Group plans to drill 21 exploration wells and 11 development wells, and expects to deliver net proved reserves replacement ratio forecasted to be 130% to 170%.

Liaohu Enhance Oil Recovery (“EOR”) Projects, China

Liaohu EOR Projects’ average daily net production forecasted to be 1,800 to 1,900 boed, representing at least 10.0% increase compare to 2013 actual. Lifting Cost forecasted to be US\$33.0 to US\$37.0 per boe. Net Capital Expenditure (“Capex”) plans to be US\$15.0 to 18.0 million, which 100% will spend on side-track wells and improve the coverage of fireflood application. The Group plans to drill 18 side-track wells and improve the coverage of fireflood application to 45% to 50%.

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, 2 April 2014

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 independent non-executive directors are Mr. Chau Siu Wai, Mr. San Fung and Mr. Zhu Chengwu.

Appendix I: Operation Guidance For Pakistan Assets in 2014:

	<u>2014 Guidance</u>	<u>2013 Actual</u>
<u>Production</u>		
Average daily net production rate (boed)	44,000 – 46,000	33,809
Oil & Liquids Ratio (%)	25.0% - 35.0%	34.7%
Lifting Cost (US\$ / boe) ⁽²⁾	5.0 – 5.3	5.3
1P Reserve F&D Cost (US\$ / boe) ⁽³⁾	10.0 – 13.0 ⁽⁴⁾	6.3
<u>Reserve</u>		
1P Net Reserves Replacement Ratio (%)	130% - 170%	394%
<u>Exploration & Development Activities</u>		
Net Capex (US\$ million)	310 – 327	323.5
Exploration Wells (Gross)	21	28
Development Wells (Gross)	11	29
3D Seismic Data Acquisition (Gross)	Onshore: 800 Km ²	Onshore: 3,236 Km ² Offshore: 843 Km ²

- Remark:**
1. All net production and net reserves figures are before gov't take.
 2. Lifting Cost represent direct costs excluding depreciation and amortization and government tax.
 3. F&D Cost representing net capex excluding seismic, acquisition & disposal and other non-reserve related capex.
 4. 1P Reserve F&D Cost increase due to gas processing facility upgrade and expansion.

Appendix II: Operation Guidance for Liaohe EOR Projects, China in 2014:

	<u>2014 Guidance</u>	<u>2013 Actual</u>
<u>Production</u>		
Average Daily Net Production Rate (boed)	1,800 – 1,900	1,634
Oil & Liquids Ratio (%)	100%	100%
Lifting Cost (US\$ / boe) ⁽²⁾	33.0 – 37.0	37.3
<u>Development Activity</u>		
Net Capex (US\$ million)	15.0 – 18.0	15.5
Coverage of Fireflood Application at the year end	45.0% - 50.0%	41.0%
Side-Track Wells (Gross)	18	21
Fireflood Producer Added (Gross)	40 - 60	25

Remark: 1. All net production and net reserves figures are before gov't take.

2. Lifting Cost represent direct costs excluding depreciation and amortization and government tax.