

*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 (Unaudited)**

The Group is pleased to provide a business update (Unaudited) for the third quarter of Financial Year 2014 on its operations in Pakistan Assets and Liaohe EOR Projects in China, highlight as follows:

#### Third quarter of Financial Year 2014

- The Group recorded an average daily net production of approximately 50,846 boed, 57.2% increase compared to the third quarter of Financial Year 2013
- The Pakistan assets recorded an average daily net production of approximately 48,961 boed, 59.8% increase compared to the third quarter of Financial Year 2013
- An average daily net production in the MKK Blocks ramped up significantly and recorded approximately 26,726 boed in the third quarter of Financial Year of 2014, representing an approximately 285% and 21.6% increase compared to the third quarter of Financial Year 2013 and the second quarter of Financial Year 2014, respectively
- The Liaohe EOR Projects in China recorded an average daily net production of approximately 1,885 boed, 9.8% increase compared to the third quarter of Financial Year 2013

#### Others – Pakistan Assets

- Naimat Phase 5 Project – land reclamation and facility foundation construction progressing well, and the gas processing facility installation of Phase 5A will commence in the fourth quarter of Financial Year 2014 and expect first gas in the first quarter of Financial Year 2015.

United Energy Group Limited (the “Company”) and its subsidiaries (the “Group”) are pleased to provide a business update (Unaudited) for the third quarter of Financial Year 2014 with the objective of informing its shareholders and potential investors of the Group’s operational progress and performance.

### **BUSINESS UPDATE**

#### **I. Pakistan Assets:**

##### *A. Production and Operation Overview*

For the third quarter of Financial Year 2014, the Pakistan assets achieved an average daily net production of approximately 48,961 barrels of oil equivalent (“boe”) per day (“boed”) (Badin:

22,235 boed, MKK: 26,726 boed), of which 33.7% is oil and liquids, representing an approximately 59.8% (Badin: -6.2%, MKK: +285%) increase compared to the third quarter of Financial Year 2013.

An average daily net production in the MKK Blocks ramped up significantly and recorded approximately 26,726 boed in the third quarter of Financial Year of 2014, representing an approximately 285% and 21.6% increase compared to the third quarter of Financial Year 2013 and the second quarter of Financial Year 2014, respectively. The increases in net production are mainly from the new oil and gas discoveries made during the year.

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

Unit: boed

	Average daily net production for the third quarter of Financial Year 2014	Average daily net production for the third quarter of Financial Year 2013	+/-
<b>Pakistan Assets</b>	<b>~48,961</b>	<b>~30,636</b>	<b>+59.8%</b>
Badin Blocks	~22,235	~23,693	-6.2%
MKK Blocks	~26,726	~6,943	+285%

#### *B. Exploration, Development and New Discoveries*

During the first 9 months of the Financial Year 2014, the Group completed 21 exploration wells and 11 development wells in Badin Blocks and MKK Blocks, and 784 km<sup>2</sup> of 3D seismic data has been acquired in DSS Blocks.

In addition, the Group has made 17 new oil and gas discoveries in Badin Blocks and MKK Blocks. The following table summarizes the new oil and gas discoveries in the first 9 months of Financial Year 2014 (As of 30/9/2014):

<b><u>Blocks</u></b>	<b><u>Wells</u></b>	<b><u>Working interest (%)</u></b>	<b><u>Initial net production rate (boed)</u></b>
Badin	JHOK-1	100%	~170
Badin	MURID-1	100%	~500
Badin	NANDO-1	100%	~170
Badin	AASSU-2	100%	~250
Badin	AASSU DEEP-1	100%	~190
Badin	KARAM-1	100%	~550
Badin	SUHRAT-1	100%	~520
Badin	DHANI-1	100%	~280
MKK	THEBO-1	75.0%	~875
MKK	RAGNI DEEP-1	75.0%	~65
MKK	BAKSH DEEP-1	75.0%	~3,175
MKK	RAHIM-X2	75.0%	~275
MKK	SOHRAB DEEP-1	75.0%	~3,420
MKK	SUTIARI DEEP-1	75.0%	~5,000
MKK	SUMAR DEEP-2	75.0%	~2,075
MKK	SOHRAB DEEP-2	75.0%	~5,770
MKK	SALEH-1	75.0%	~580

### *C. Naimat Phase 5 project*

The project consists of 2 phases:

Phase 5A: 60 mmcf/d skid-mounted gas processing plant (Targeted first gas by March 2015)

Phase 5B: 100 mmcf/d gas processing plant (Targeted first gas by June 2015)

After the project kick start in June 2014, land reclamation and facility foundation construction progressing well, and the gas processing facility installation of Phase 5A will commence in the fourth quarter of Financial Year 2014 and expect first gas in the first quarter of Financial Year 2015.

After the completion of the project, the Group is expected to add approximately 110 mmcf/d of sales gas from the Naimat West gas fields which were discovered in 2013. This is an important step for the Group to further ramp up the production in the financial year 2015.

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

For the third quarter of Financial Year 2014, the Group’s operations in Gaosheng Block in Liaohe Oilfields of China achieved an average daily net production of 1,885 boed representing a 9.8% increase compared to the third quarter of Financial Year 2013.

As at 30 September 2014, a total of 272 production wells (representing ~44.0% of production wells) have been converted into fireflood producers.

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

Unit: boed

	<b>Average daily net production for the third quarter of Financial Year 2014</b>	<b>Average daily net production for the third quarter of Financial Year 2013</b>	<b>+/-</b>
Liaohe EOR Projects	~1,885	~1,716	+9.8%

## **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, 30 October 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 the independent non-executive directors are Mr. Chau Siu Wai, Mr. San Fung and Mr. Zhu Chengwu.*

## Appendix

### 1. Third quarter of Financial Year 2014 Operation Highlights - Pakistan Assets:

	<b>Third quarter of Financial Year 2014 (Unaudited)</b>	<b>Third quarter of Financial Year 2013 (Unaudited)</b>
<b>Average Daily Net Production (boed)</b>	<b>~48,961</b>	~30,636
<b>Oil &amp; Liquids Ratio (%)</b>	<b>~33.7%</b>	~35.8%
<b>Exploration Well (Gross)</b>	<b>7</b>	3
<b>Development Well (Gross)</b>	<b>2</b>	13
<b>3D Seismic Data Acquisition (Gross)</b>	<b>-</b>	Onshore: ~441 km <sup>2</sup>

### 2. Third quarter of Financial Year 2014 Operation Highlights - Liaohe EOR Projects, China:

	<b>Third quarter of Financial Year 2014 (Unaudited)</b>	<b>Third quarter of Financial Year 2013 (Unaudited)</b>
<b>Average Daily Net Production (boed)</b>	<b>~1,885</b>	~1,716
<b>Oil &amp; Liquids Ratio (%)</b>	<b>100%</b>	100%
<b>Development Wells (Gross)</b>	<b>-</b>	-
<b>Side-Track Wells (Gross)</b>	<b>4</b>	8
<b>Fireflood Producers Added (Gross)</b>	<b>-3</b>	2
<b>Coverage of Fireflood Application (%)</b>	<b>~44.0%</b>	~41.0%