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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 2015

2015 Guidance:

Net Production

- The Group's average daily net production is forecasted to be in the range of 63,800 to 67,000 boed , representing at least a 30.0% increase compared to 2014 actual.
- Pakistan Assets' average daily net production is forecasted to be in the range of 62,000 to 65,000 boed, representing at least a 31.0% increase compared to 2014 actual.
- Liaohe EOR Projects' average daily net production is forecasted to be in the range of 1,800 to 2,000 boed, maintaining a similar level compared to 2014 actual.

Lifting Cost

- Pakistan Assets' lifting cost forecasted to be US\$3.5 to US\$4.0 per boe.
- Liaohe EOR Projects' lifting cost forecasted to be US\$ 33.0 to US\$37.0 per boe.

Capex

- The Group plans its net capex to be US\$318.0 to US\$333.0 million.
- Pakistan Assets' net capex plans to be US\$313.0 to US\$323.0 million, of which approximately 40% will be spent on exploration activities and approximately 50% will be spent on development activities and facilities.
- Liaohe EOR Projects' net capex plans to be US\$5.0 to US\$10.0 million, of which 100% will be spent on side-track wells and improvement in the coverage of fireflood application.

Reserve Replacement

- Pakistan Assets' net proved reserves replacement ratio is forecasted to be 100% to 130%.

United Energy Group Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) are pleased to announce that the management has approved the operation guidance for Financial Year 2015 (“2015 Guidance”) for the Group. The 2015 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 is forecasted to be 62,000 to 65,000 barrels of oil equivalent (“boe”) per day (“boed”), representing at least a 31.0% increase compare to 2014 actual. Lifting Cost is forecasted to be US\$3.5 to US\$4.0 per boe. Net Capital Expenditure (“Capex”) plans to be US\$313.0 to US\$323.0 million, which approximately 40% will be spent on exploration activities and approximately 50% will be spend on development activities and facilities. In the Financial Year 2015, the Group plans to drill 21 exploration wells and 9 development wells, and expects to deliver net proved reserves replacement ratio forecasted to be 100% to 130%.

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

Liaohu EOR Projects’ average daily net production is forecasted to be in the range of 1,800 to 2,000 boed, maintaining a similar level compared to 2014 actual. Lifting Cost forecasted to be US\$33.0 to US\$37.0 per boe. Net Capital Expenditure (“Capex”) plans to be US\$5.0 to US\$10.0 million, which 100% will be spend on side-track wells and improvement in the covergae of fireflood application. In the Financial Year 2015, the Group plans to drill 7 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, 16 February 2015

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 2015:

	<u>2015 Guidance</u>	<u>2014 Actual (Unaudited)</u>
<u>Production</u>		
Average daily net production rate (boed)	62,000 – 65,000	~47,091
Oil & Liquids Ratio (%)	20.0% - 30.0%	~32.2%
Lifting Cost (US\$ / boe) ⁽²⁾	3.5 – 4.0	N/A ⁽⁴⁾
1P Reserve F&D Cost (US\$ / boe) ⁽³⁾	7.2 – 9.4	N/A ⁽⁴⁾
<u>Reserve</u>		
1P Net Reserves Replacement Ratio (%)	100% - 130%	N/A ⁽⁴⁾
<u>Exploration & Development Activities</u>		
Net Capex (US\$ million)	313.0 – 323.0	N/A ⁽⁴⁾
Exploration Wells (Gross)	21	23
Development Wells (Gross)	9	15
3D Seismic Data Acquisition (Gross)	Nil	Onshore: 1,442 Km ²

- Remark:**
1. All net production and net reserves figures are before government take.
 2. Lifting Cost represent direct costs excluding depreciation, depletion and amortization and government tax.
 3. F&D Cost representing net capex excluding seismic, acquisition & disposal, gas processing facilities and other non-reserve related capex.
 4. All the financial related figures for 2014 will be released in 2014 Annual Result Announcement and Annual Report.

Appendix II: Operation Guidance for Liaohe EOR Projects, China in 2015:

	<u>2015 Guidance</u>	<u>2014 Actual (Unaudited)</u>
<u>Production</u>		
Average Daily Net Production Rate (boed)	1,800 – 2,000	~1,820
Oil & Liquids Ratio (%)	100%	100%
Lifting Cost (US\$ / boe) ⁽²⁾	33.0 – 37.0	N/A ⁽³⁾
<u>Development Activity</u>		
Net Capex (US\$ million)	5.0 – 10.0	N/A ⁽³⁾
Coverage of Fireflood Application at the year end	45% - 50%	~44.0%
Side-Track Wells (Gross)	7	20

- Remark:**
1. All net production and net reserves figures are before government take.
 2. Lifting Cost represent direct costs excluding depreciation, depletion and amortization and government tax.
 3. All the financial related figures for 2014 will be released in 2014 Annual Result Announcement and Annual Report