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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 (UNAUDITED)**

The Group is pleased to provide a business update (Unaudited) for the second quarter and the first half of Financial Year 2015 on its operations in Pakistan Assets and Liaohe EOR Project in China, highlight as follows:

#### Second quarter of Financial Year 2015

- The Group recorded an average daily net production of approximately 61,564 boed, 33.2% increase compared to the second quarter of Financial Year 2014
- The Pakistan Assets recorded an average daily net production of approximately 60,053 boed, 35.7% increase compared to the second quarter of Financial Year 2014
- The Liaohe EOR Projects in China recorded an average daily net production of approximately 1,511 boed, 23.8% decrease compared to the second quarter of financial Year 2014

#### First half of Financial Year 2015

- The Group recorded an average daily production of approximately 61,399 boed, 45.9% increase compared to the first half of Financial Year 2014
- The Pakistan Assets recorded an average daily net production of approximately 59,895 boed, 48.9% increase compared to the first half of Financial Year 2014
- The Liaohe EOR Projects in China recorded an average daily net production of approximately 1,504 boed, 19.4% decrease compared to the first half of Financial Year 2014

United Energy Group Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) are pleased to provide a business update (unaudited) for the second quarter and the first half of Financial Year 2015 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 second quarter of Financial Year 2015, the Pakistan Assets achieved an average daily net production of approximately 60,053 barrels of oil equivalent (“boe”) per day (“boed”) (Badin: 24,187 boed, MKK: 35,866 boed), of which 27.2% is oil and liquids, representing an approximately 35.7% (Badin: +8.6%, MKK: +63.2%) increase compared to the second quarter of Financial Year 2014.

For the first half of Financial Year 2015, the Pakistan Assets achieved an average daily net production of approximately 59,895 boed (Badin: 25,330 boed, MKK: 34,565 boed), of which 28.2% is oil and liquids, representing an approximately 48.9% (Badin: +13.7%, MKK: +92.6%) increase compared to the first half of Financial Year 2014.

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

During the first half of the Financial Year 2015, the Group completed 18 exploration / appraisal wells and 3 development wells in Badin and MKK area. 3D Seismic data processing and interpretation work is in progress, and 1,305 km<sup>2</sup> of data processing in SS block and 655 km<sup>2</sup> of data processing in MKK block have been completed.

In addition, the Group has made 13 new oil and gas discoveries in Badin and MKK areas. The following table summarizes the new oil and gas discovery in the first half of Financial Year 2015 (As of 30/6/2015):

<u>Area</u>	<u>Wells</u>	<u>Working interest (%)</u>	<u>Initial net production rate (boed)</u>
Badin	JAN-1	100%	~40
Badin	MUBAN SOUTH-1	51%	~5
Badin	LIMU-1	100%	~2,070
Badin	KORAI NORTH-1	100%	Testing in progress
Badin	THARO-1	100%	~2,740
Badin	SAHU-1	51%	~440
Badin	PIARO BASAL DEEP-1	100%	Testing in progress
MKK	UMAR-2	75%	~1,340
MKK	RAJANI-2	75%	~3,880
MKK	SAMAN-1	75%	~385
MKK	SALEH-2 ST	75%	~380
MKK	SALEH-3	75%	~1,175
MKK	SAJAN-1	75%	~540

*C. Naimat Phase 5 construction is completed – an additional 160 mmcf/d Gas Processing Capacity already go on stream in 2015*

The project consists of 2 phases:

Phase 5A: 60 mmcf/d skid-mounted gas processing plant (first gas was commenced on 1 May 2015)

Phase 5B: 100 mmcf/d gas processing plant (first gas was commenced on 7 July 2015)

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

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

For the second quarter of Financial Year 2015, the company’s operations in Gaosheng Block in Liaohe Oilfields of China achieved an average daily net production of 1,511 boed representing a 23.8% decrease compared to the second quarter of Financial Year 2014.

For the first half of Financial Year 2015, the company’s operations in Gaosheng Block in Liaohe Oilfields of China achieved an average daily net production of 1,504 boed representing a 19.4% decrease compared to the first half of Financial Year 2014.

As at 30 June 2015, a total of 265 fireflood producers (representing ~44% of production wells) have 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, 31 July 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 the independent non-executive directors are Mr. Chau Siu Wai, Mr. San Fung and Mr. Zhu Chengwu.*

## Appendix

### 1. Second quarter of Financial Year 2015 Operation Highlights - Pakistan Assets:

	<b>Second quarter of Financial Year 2015 (Unaudited)</b>	<b>Second quarter of Financial Year 2014 (Unaudited)</b>
<b>Average Daily Net Production (boed)</b>	<b>~60,053</b>	~44,243
Badin	~24,187	~22,266
MKK	~35,866	~21,977
<b>Oil &amp; Liquids Ratio (%)</b>	<b>~27.2%</b>	~33.5%
<b>Exploration / Appraisal Well (Gross)</b>	<b>7</b>	5
<b>Development Well (Gross)</b>	<b>2</b>	5
<b>3D Seismic Data Acquisition (Gross)</b>	<b>-</b>	Onshore: ~324 km <sup>2</sup>

### 2. Second quarter of Financial Year 2015 Operation Highlights - Liaohe EOR Projects, China:

	<b>Second quarter of Financial Year 2015 (Unaudited)</b>	<b>Second quarter of Financial Year 2014 (Unaudited)</b>
<b>Average Daily Net Production (boed)</b>	<b>~1,511</b>	~1,983
<b>Oil &amp; Liquids Ratio (%)</b>	<b>100%</b>	100%
<b>Side-Track Wells (Gross)</b>	<b>-</b>	4
<b>Coverage of Fireflood Application (%)</b>	<b>~44%</b>	~45%

3. First half of Financial Year 2015 Operation Highlights - Pakistan Assets:

	<b>First half of Financial Year 2015 (Unaudited)</b>	<b>First half of Financial Year 2014 (Unaudited)</b>
<b>Average Daily Net Production (boed)</b>		
Badin	~59,895	~40,227
MKK	~25,330	~22,284
	~34,565	~17,943
<b>Oil &amp; Liquids Ratio (%)</b>	~28.2%	~33.6%
<b>Exploration / Appraisal Well (Gross)</b>	18	14
<b>Development Well (Gross)</b>	3	9
<b>3D Seismic Data Acquisition (Gross)</b>	-	Onshore: ~787 Km <sup>2</sup>

4. First half of Financial Year 2015 Operation Highlights - Liaohe EOR Projects, China:

	<b>First half of Financial Year 2015 (Unaudited)</b>	<b>First half of Financial Year 2014 (Unaudited)</b>
<b>Average Daily Net Production (boed)</b>	~1,504	~1,867
<b>Oil &amp; Liquids Ratio (%)</b>	100%	100%
<b>Side-Track Wells (Gross)</b>	6	16
<b>Coverage of Fireflood Application (%)</b>	~44%	~45%