

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 2015 on its operations in Pakistan Assets and Liaohe EOR Project in China, highlight as follows:

Third quarter of Financial Year 2015

- The Group recorded an average daily net production of approximately 67,988 boed, 33.7% increase compared to the third quarter of Financial Year 2014
- The Pakistan assets recorded an average daily net production of approximately 66,563 boed, 36.0% increase compared to the third quarter of Financial Year 2014
- The Liaohe EOR Project in China recorded an average daily net production of approximately 1,425 boed, 24.4% decrease compared to the third quarter of Financial Year 2014

Others – Pakistan Assets

- Naimat Phase 5B project, a 100 mmcf/d gas processing plant, was completed and the first gas was commenced on 7 July 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 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 third quarter of Financial Year 2015, the Pakistan assets achieved an average daily net production of approximately 66,563 barrels of oil equivalent (“boe”) per day (“boed”) (Badin: 19,079 boed, MKK: 47,484 boed), of which 19.2% is oil and liquids, representing an approximately 36.0% (Badin: -14.2%, MKK: +77.7%) increase compared to the third quarter of Financial Year 2014.

B. Exploration, Development and New Discoveries

During the first 9 months of the Financial Year 2015, the Group completed 20 exploration wells and 3 development wells in Badin and MKK area. 3D seismic data processing and interpretation work is in progress. As of the third quarter of Financial Year 2015, 1,305 km² of data processing in SS block, 655 km² of data processing in MKK block, 2,070 km² of data interpretation in Digri block and 1,305 km² of data interpretation in SS block have been completed.

In addition, the Group has made 15 new oil and gas discoveries in Badin and MKK areas. The following table summarizes the new oil and gas discoveries in the first 9 months of Financial Year 2015 (As of 30/9/2015):

<u>Blocks</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%	~1,230
Badin	South Mazari Deep Basal-1	100%	~15
Badin	Kumbh-1	100%	~3,745
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 project is completed – an additional 160 mmcf/d Gas Processing Capacity go on stream in 2015

The project consists of 2 phases:

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

Phase 5B: 100 mmcf/d gas processing plant (the 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 Group to further ramp up the production in the financial year 2015.

II. Liaohe Enhanced Oil Recovery (“EOR”) Project, China:

For the third quarter of Financial Year 2015, the Group’s operations in Gaosheng Block in Liaohe Oilfields of China achieved an average daily net production of 1,425 boed representing a 24.4% decrease compared to the third quarter of Financial Year 2014.

As at 30 September 2015, approximately 44% producing wells have been converted into fireflood producers.

GENERAL

Shareholders and potential investors of the shares of the Company should note that the above mentioned 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, 26 October 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. Third quarter of Financial Year 2015 Operation Highlights - Pakistan Assets:

	Third quarter of Financial Year 2015 (Unaudited)	Third quarter of Financial Year 2014 (Unaudited)
Average Daily Net Production (boed)	~66,563	~48,961
Badin	~19,079	~22,235
MKK	~47,484	~26,726
Oil & Liquids Ratio (%)	~19.2%	~33.7%
Exploration Well (Gross)	2	7
Development Well (Gross)	-	2

2. Third quarter of Financial Year 2015 Operation Highlights - Liaohe EOR Project, China:

	Third quarter of Financial Year 2015 (Unaudited)	Third quarter of Financial Year 2014 (Unaudited)
Average Daily Net Production (boed)	~1,425	~1,885
Oil & Liquids Ratio (%)	100%	100%
Side-Track Wells (Gross)	-	4
Coverage of Fireflood Application (%)	~44%	~44%