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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)

PROFIT WARNING

This announcement is made by United Energy Group Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “Board”) of the Company wishes to inform its shareholders (the “Shareholders”) and potential investors that, based on the information currently available to the Board, the Group is expected to record a loss for the financial year ending 31 December 2015 as compared to that of last financial year.

The Board anticipates that the loss is mainly attributable to possible recognition of a relatively large non-cash accounting impairment loss on the oil exploitation rights of Liaohe EOR Project in China, principally due to (i) significant decline of oil price in the international commodity market in 2015 and (ii) the strategic reduction in capital expenditure for the production of oil in view of the outlook under the preliminary development plan. In addition, the Group is also expected to recognize a non-cash accounting impairment loss due to dry wells issue. As at the date hereof, the Group is still ascertaining the amount of the accounting impairment loss for the year ending 31 December 2015 which is subject to finalization of oil reserve report and valuation report. Further announcement on the accounting impairment loss to the Group will be made before the publication of the final results announcement of the Company for the year ending 31 December 2015 if required.

The Board would like to iterate that the above impairment loss should have no adverse impact on the cash flow position of the Group.

The information contained in this announcement should only be treated as a preliminary assessment made by the Board based on the information currently available to the Group and is not based on any figures or information that has been audited or reviewed by the auditors and the valuers of the Group. As the financial year ending 31 December 2015 has not yet been closed, the actual final results of the Group for the year ending 31 December 2015 may be different from what is disclosed herein. The audited final results of the Group for the financial year ending 31 December 2015 is expected to be announced on or before 31 March 2016.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
United Energy Group Limited
Zhang Hong Wei
Chairman

Hong Kong, 21 December 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 Meiyong, and the independent non-executive directors are Mr. Chau Siu Wai, Mr. San Fung and Mr. Zhu Chengwu.