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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 - UPDATE OF INFORMATION

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). Reference is made to the announcement (the “**Announcement**”) of the Company dated 21 December 2015. Capitalized terms used therein shall have the same meanings as those defined in the Announcement unless the context requires otherwise.

The Board wishes to inform the Shareholders and potential investors that, based on the preliminary oil reserve report and preliminary valuation report currently available to the Board, it is expected that the oil exploitation rights of Liaohe EOR Project in China is to record a non-cash accounting impairment losses of approximately HK\$3,028 million (approximately equivalent to US\$388 million) for the year ended 31 December 2015. As disclosed in previous Announcement, such non-cash accounting impairment loss occurred as a result of the (i) significant decline of oil price in the international commodity market in 2015 and (ii) strategic reduction in capital expenditure for the production of oil in view of the outlook under the preliminary development plan. In addition, based on the preliminary assessment of the unaudited management accounts of the Group for the year ended 31 December 2015, the Group is also expected to recognize a non-cash accounting impairment loss of HK\$1,622 million (approximately equivalent to US\$208 million) principally due to dry wells and non-productive fields issue.

Nevertheless, the above impairment losses are non-cash nature and the Board believes that they do not have a material impact on the cash flow position of the Group.

The Company is still in the process of preparing and finalising the final results of the Group for the year ended 31 December 2015. The information contained in this announcement have not been audited or reviewed by the auditor of the Company.

Financial information and other operating details of the Group will be disclosed in the final results announcement of the Company for the year ended 31 December 2015 which is expected to be released 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, 2 February 2016

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.