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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)

FURTHER ANNOUNCEMENT

IN RELATION TO

THE PROPOSED OPEN OFFER ON THE BASIS OF ONE OFFER SHARE FOR EVERY ONE EXISTING SHARE HELD ON THE RECORD DATE

Reference is made to the announcement of the Company dated 2 June 2016 (the “**Announcement**”) and the circular of the Company dated 30 June 2016 in relation to, amongst other things, the proposed Open Offer (the “**Circular**”). Terms used herein shall have the same meanings as those defined in the Announcement and the Circular unless otherwise defined herein or the context requires otherwise.

The Company and the Underwriter have entered into a side letter on 27 June 2016 for amendments to the Underwriting Agreement before despatch of the Circular in relation to, among other things, the change of the maximum number of Offer Shares and Underwritten Shares and the irrevocable undertaking by the Underwriter to the Company (the “**Side Letter**”).

Pursuant to the Side Letter, (i) the maximum number of Offer Shares has been reduced from 13,138,321,377 Shares to 13,115,321,377 Shares and (ii) the maximum number of Underwritten Shares has been reduced from 5,504,033,702 Shares to 5,481,033,702 Shares (in each case assuming not more than 17,000,000 Shares are allotted and issued pursuant to the Schemes, and new Shares are issued pursuant to the exercise in full of all the 12,600,000 Share Options which have been vested and are exercisable, but no further issue of new Shares or repurchase of Shares by the Company, on or before the Record Date)^(Note).

* *for identification purposes only*

Note: As at the Latest Practicable Date, the Company has outstanding Share Options carrying rights to subscribe for a total of 18,000,000 new Shares under the Share Option Scheme. Out of such outstanding Share Options, 12,600,000 Share Options have been vested and are exercisable, and 5,400,000 Share Options have not been vested and therefore are not exercisable, as at the Latest Practicable Date and on or before the Record Date. Assuming no further grant of Share Options by the Company and exercise in full of the subscription rights attaching to such outstanding and exercisable Share Options, an additional 12,600,000 Offer Shares may be issued upon the exercise of such vested and exercisable Share Options.

As at the Latest Practicable Date, taking into account and consistent with past practice of the Company, the Board has not yet approved, but expects to approve within July 2016 (i.e. before the Record Date), to allot and issue up to not more than 17,000,000 Shares to the Trustee who will hold such Shares on trust for the eligible employees of the Group under the Deferred Annual Bonus Scheme, the Executive Performance Share Scheme and the Performance Share Scheme. Such Shares will be allotted and issued under the General Mandate and will not cause the Company to exceed the General Mandate, and no Shares will be allotted and issued to the connected persons of the Company.

In addition, pursuant to the Underwriting Agreement (as amended by the Side Letter):

1. the Underwriter has irrevocably undertaken to the Company that it will use its reasonable endeavours to:
 - (a) cause the sub-underwriters (if any), to procure that the subscribers procured and allocated by it and their respective associates are not connected persons of the Company and are independent of and not connected or acting in concert with the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates or any nominees of the foregoing to take up such number of Offer Shares as may be necessary and will not be holding 10% or more of the total issued shares of the Company immediately following completion of the Open Offer;
 - (b) procure that none of persons to be procured and allocated by the Underwriter to subscribe for the untaken Underwritten Shares will be holding 10% or more of the total issued shares of the Company immediately following completion of the Open Offer; and
 - (c) ensure that the relevant subscriber(s) to be procured and allocated by the Underwriter for the untaken Underwritten Shares are independent of and not connected with the Company and its connected persons and are not a party acting in concert with each other; and

2. the Company has undertaken to the Underwriter that:
- (a) it will use its reasonable endeavours to ensure that none of its connected persons and their respective associates and other person(s) connected or acting in concert with the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates or any nominees of the foregoing will subscribe for the untaken Underwritten Shares; and
 - (b) the sufficient public float would be maintained in compliance with the Listing Rules upon the completion of the Open Offer subject to the Underwriter's compliance with paragraph 1 above.

For further details of the Open Offer, please refer to the Circular.

By Order of the Board
UNITED ENERGY GROUP LIMITED
Zhang Hong Wei
Chairman

Hong Kong, 30 June 2016

As at the date of this announcement, the executive Directors 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.