

*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.*

**UP ENERGY**  
**UP ENERGY DEVELOPMENT GROUP LIMITED**  
**優派能源發展集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 307)**

**CHANGE OF AUDITORS**

The Board announces that Messrs. Ting Ho Kwan & Chan has resigned as the auditors of the Company with effect from 3rd May, 2011 and Messrs. Ernst & Young (“E&Y”) has been appointed as the new auditors of the Company with immediate effect to fill the casual vacancy and to hold office until the conclusion of the next annual general meeting of the Company.

The board of directors (the “Board”) of Up Energy Development Group Limited (the “Company”) announces that the Company has received a resignation letter from Messrs. Ting Ho Kwan & Chan on 3rd May, 2011 (the “Resignation Letter”) who resigned as the auditors of the Company with immediate effect.

Following the completion of acquisition of Up Energy Investment (China) Ltd. and its subsidiaries (the “UEIL Group”) on 18th January, 2011, UEIL Group has become a principle subsidiary of the Group given its material asset value. As Messrs. Ernst & Young (“E&Y”) is the auditors of UEIL Group, the Board believes that it would be more efficient and cost effective for E&Y to be appointed as the auditors of the Company and its subsidiaries (“Group”). In this regard, E&Y has been appointed as the new auditors of the Company with immediate effect to fill the casual vacancy following the resignation of Messrs. Ting Ho Kwan & Chan and to hold office until the next annual general meeting of the Company.

Messrs. Ting Ho Kwan & Chan confirmed in the Resignation Letter that there were no circumstances connected with their resignation which they considered should be brought to the attention of the holders of securities of the Company. The Board also confirmed that there were no circumstances in respect of the change of auditors which should be brought to the attention of the shareholders and creditors of the Company.

\* *for identification purposes only*

The Board believes that the change of auditors will not affect the audit of financial statements and the release of annual results of the Group for the financial year ended 31st March, 2011.

The Board would like to thank Messrs. Ting Ho Kwan & Chan for their professional services in the past years.

By order to the Board of  
**Up Energy Development Group Limited**  
**Qin Jun**  
*Chairman & Chief Executive Officer*

Hong Kong, 3rd May, 2011

*As of the date of this announcement, the executive directors of the Company are Mr. Qin Jun, Mr. Chau Shing Yim, David and Mr. Jiang Hongwen whilst the independent non-executive directors of the Company are Mr. Lau Kwok Kuen, Mr. Li Bao Guo, Mr. Lien Jown Jing, Vincent and Mr. Wong Siu Kang.*