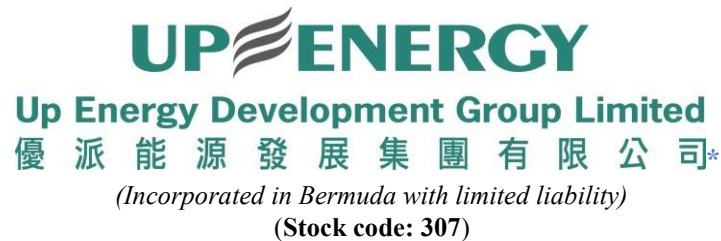


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ANNOUNCEMENT IN RESPECT OF
(1) ADJOURNMENT OF BERMUDA HEARING AND THE APPOINTMENT
OF INDEPENDENT RESTRUCTURING ADVISORS
(2) DELAY IN PUBLICATION OF 2016 ANNUAL RESULTS AND
(3) EXERCISE OF PUT OPTIONS
IN A VERY SUBSTANTIAL ACQUISITION

This announcement is made by Up Energy Development Group Limited (the “**Company**”) pursuant to Rule 13.09, Rule 13.19, Rule 13.25, Rule 13.49 and Rule 14.74(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

ADJOURNMENT OF BERMUDA HEARING AND THE APPOINTMENT OF
INDEPENDENT RESTRUCTURING ADVISORS

Reference is made to the announcement of the Company dated 23 May 2016 in which, among other things, the Board announced that the hearing of the Winding Up Petition in the Supreme Court of Bermuda (the “**Bermuda Winding Up Petition**” or the “**Bermuda Hearing**”) was scheduled to be heard on 1 July 2016. Capitalised terms used in this announcement shall bear the same meanings as those defined in the announcement dated 23 May 2016 unless the context requires otherwise.

The Bermuda Hearing and the Petitioner’s application for the appointment of a provisional liquidator have been adjourned by the judge until 9 September 2016, Friday (Bermuda time).

** For identification purposes only*

The Company has engaged RSM Corporate Advisory (Hong Kong) Limited (“**RSM Hong Kong**”) as independent restructuring advisers to, among other things, establish a framework for communication with the creditors, and assist the monitoring and supervision of the restructuring and the implementation of a scheme of arrangement of the Company.

Further announcement(s) will be made by the Company to inform the public on any material development of the Bermuda Winding Up Petition as and when appropriate.

DELAY IN PUBLICATION OF 2016 ANNUAL RESULTS

Reference is made to the announcement of the Company dated 19 June 2016 in which, among other things, the Board announced that there may be a delay in the publication of the 2016 Annual Results and the despatch of the Annual Report. Capitalised terms used in this announcement shall bear the same meanings as those defined in the announcement dated 19 June 2016 unless the context requires otherwise.

The Board would like to inform the shareholders of the Company that there will be a delay in the publication of the 2016 Annual Results and the despatch of the Annual Report. As disclosed in the previous announcements of the Company, the Company is currently in the process of finalizing the debt restructuring and mitigating the legal proceedings against the Company. As a result, the Company is short of resources in meeting the prerequisite requirements of the auditor the Company for the commencement of the 2016 Annual Results audit. These requirements include, among other things, the settlement of outstanding balances of previous audits. Since the pre-conditions for the commencement of the audit has not yet been satisfied and the audit progress is subject to various uncertainties, it is not practical for the Company to provide a reasonable estimate of the 2016 Annual Results announcement date.

As the Company expects that adjustments will be made to the management accounts after completion of the audit, the Company considers that the release of the unaudited financial results will not truly reflect the financial conditions of the Company and might be misleading to the shareholders and potential investors of the Company. The Company is of the view that no unaudited financial information will be published pursuant to Listing Rule 13.49(3)(i)(c).

As at the date of this announcement, save as those disclosed in the Company’s previous announcements, the Board has confirmed that there is no other matter or any inside information in relation to the delay in publication of the 2016 Annual Results and the despatch of the Annual Report that needs to be brought to the attention of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and shareholders of the Company.

The Company will publish further announcement(s) to inform shareholders and potential investors of the Company any material developments in connection with the 2016 Annual Results and the Annual Report as and when appropriate.

EXERCISE OF PUT OPTIONS IN A VERY SUBSTANTIAL ACQUISITION

Reference is made to the announcements of the Company dated 1 November 2012 and 28 June 2013 and the circular of the Company dated 11 June 2013 (the “**Circular**”). Capitalised terms used in this announcement shall bear the same meanings as those defined in the announcements dated 1 November 2012 and 28 June 2013 and the Circular unless the context requires otherwise.

In relation to the exercise of Put Option by Hao Tian Development Group Limited (Stock code: 00474) (“**Hao Tian**”) pursuant to the S&P Agreement, the company is seeking legal opinion on the validity of such exercise and the legal obligations in the execution of the S&P Agreement. The company will take all necessary measures to protect its legal rights.

The Company will publish further announcement(s) to inform shareholders and potential investors of the Company any material developments as and when appropriate.

SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company (the “**Shares**”) on the Stock Exchange has been halted with effect from 9:00 a.m. on 30 June 2016. Trading in the Shares will remain suspended until the publication of the 2016 Annual Results.

By Order of the Board of
Up Energy Development Group Limited
Qin Jun
Chairman

Hong Kong, 7 July 2016

As at the date of this announcement, the Board comprises Mr. Qin Jun, Mr. Wang Chuan, Mr. Zhang Li and Mr. Zheng Yuan as Executive Directors; and Mr. Chui Man Lung, Everett, Mr. Li Bao Guo, Mr. Liu Yongshun, and Mr. Wang Dayong as Independent Non-executive Directors.