中聯能源投資集團有限公司*
SINO UNION ENERGY INVESTMENT GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 346)

TERMINATION OF A DISCLOSEABLE TRANSACTION IN RELATION TO THE ESTABLISHMENT OF A JOINT VENTURE

On 20 October 2010, Bestwill Capital entered into the Termination Agreement with Henan Gui Yuan and Mr. Jing to terminate the Supplemental Agreement (as supplemented by the 2nd Supplemental Agreement, the 3rd Supplemental Agreement, the 4th Supplemental Agreement and the 5th Supplemental Agreement) in relation to the establishment of the Joint Venture in Zhengzhou, the PRC.

This announcement is made pursuant to Rule 14.36 of the Listing Rules.

References are made to the announcements of the Company dated 1 September 2009, 7 September 2009, 11 September 2009, 9 November 2009 and 24 December 2009 (collectively, the "Announcements") in relation to, inter alia, the formation of a joint venture between Bestwill Capital and Henan Gui Yuan for the purposes of conducting business of trading and transportation of coal. Terms used herein shall have the same meanings as defined in the Announcements, unless the context requires otherwise.

As the Joint Venture does not meet the PRC Government's approval requirements for obtaining the coal business license, Bestwill Capital, Henan Gui Yuan and Mr. Jing entered into a termination agreement (the "Termination Agreement") on 20 October 2010 to terminate the Supplemental Agreement (as supplemented by the 2nd Supplemental Agreement, the 3rd Supplemental Agreement, the 4th Supplemental Agreement and the 5th Supplemental Agreement).

Pursuant to the Termination Agreement, Bestwill Capital and Henan Gui Yuan agreed to terminate and deregister the Joint Venture in Zhengzhou, the PRC within two months after the signing of the Termination Agreement, and the capital of HK$20 million injected by Bestwill Capital will be refunded to Bestwill Capital.

* *For identification purposes only*

In addition, Henan Gui Yuan shall pay HK$20 million (in Hong Kong dollars or Renminbi equivalent) to Bestwill Capital by 31 December 2010 to compensate the economic loss of, and negative impact on, Bestwill Capital caused by the failure of the Joint Venture in obtaining the coal business license and achieving the profit guaranteed by Mr. Jing pursuant to the Supplemental Agreement. Mr. Jing has also provided an irrevocable personal guarantee to Bestwill Capital against the compensation to be paid by Henan Gui Yuan, and unconditionally and irrevocably agreed to forfeit his right on the Options granted by the Company under the Supplemental Agreement.

The parties to the Termination Agreement also agreed that Bestwill Capital and the Company shall not be responsible for any legal and taxation liability resulted from the establishment and termination of the Joint Venture. Mr. Jing irrevocably assured and guaranteed that he would handle the deregistration process of the Joint Venture properly.

The Directors consider that the termination and deregistration of the Joint Venture will not have any material adverse impact on the financial position or operations of the Group. The Group will focus on its oil and gas business, especially the oil exploitation in Madagascar, and the Board will continue to seek for other suitable business and/or investment opportunities for the development of its oil and gas business.

By Order of the Board
Sino Union Energy Investment Group Limited
Zhuo Ze Fan
Chairman

Hong Kong, 20 October 2010

As at the date of this announcement, the Board comprises:

Executive Directors
Dr. Zhuo Ze Fan *(Chairman)*
Dr. William Rakotoarisaina *(Vice Chairman)*
Dr. Wang To
Mr. Shen Hao
Mr. Feng Da Wei
Mr. Li Jiangdong
Mr. Hu Zongmin
Ms. Xie Yiping

Independent Non-executive Directors
Mr. Ng Wing Ka
Mr. Leung Ting Yuk