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)

ANNOUNCEMENT
MEMORANDUM OF UNDERSTANDING IN RELATION TO GRANT OF SHARE OPTION TO A SUBSTANTIAL SHAREHOLDER

This announcement is made pursuant to Rule 13.09 of the Listing Rules to provide information on the MOU entered into between the Company and Yanchang Petroleum in relation to the Grant of Share Option.

The Board would like to announce that on 14 April 2011 (after trading hours), the Company entered into the MOU with Yanchang Petroleum, a substantial shareholder and a connected person of the Company, in relation to the Grant of Share Option. The Board confirms that the MOU is not legally binding and is subject to the signing of the relevant formal agreement between the parties.

Shareholders and/or investors should note that the Grant of Share Option may or may not proceed and are advised to exercise caution when dealing in the securities of the Company.

GRANT OF SHARE OPTION

This announcement is made pursuant to Rule 13.09 of the Listing Rules to provide information on the MOU entered into between the Company and Yanchang Petroleum in relation to the Grant of Share Option.

The Board is pleased to announce that on 14 April 2011 (after trading hours), the Company entered into the non-legally binding MOU with Yanchang Petroleum, a substantial shareholder and a connected person of the Company, in relation to the Grant of Share Option.

Pursuant to the MOU, Yanchang Petroleum agreed to support the Company's intention of expanding its business of the sale and distribution of oil and petroleum products. Besides, in order to invite Yanchang Petroleum to further participate in the Company's business operation, the Company intends to grant an option to Yanchang Petroleum to subscribe for 1,000,000,000 shares of the Company at an exercise price of HK$0.60 each, which is a discount of approximately 9% on average closing prices of the preceding 10 trading days from the date of signing of the MOU, within an exercisable period of 24 months by part. The consideration payable by Yangchang Petroleum for obtaining such share option shall be HK$3,000,000.

EFFECT ON SHAREHOLDING

At the date of this announcement, Yanchang Petroleum holds 917,019,547 Shares representing 14.51% of the existing total issued shares of the Company. By virtue of the Grant of Share Option, upon full exercise of the 1,000,000,000 share option, Yanchang Petroleum shall increase its shareholding to a total of 1,917,019,547 Shares representing approximately 30.33% of the existing total issued shares of the Company and approximately 26.19% of the total issued shares of the Company as enlarged by exercise of 1,000,000,000 share option.

REASONS FOR THE GRANT OF SHARE OPTION

The Group is principally engaged in oil exploration, exploitation and operation in the Republic of Madagascar as well as the sale and distribution of oil and petroleum products. The Board considers that the Grant of Share Option enhances the capital base of the Company and provides a good opportunity for the Company to strengthen its strategic relationship with Yangchang Petroleum, being the substantial shareholder of the Company.

GENERAL INFORMATION

The Board confirms that no definitive terms have been agreed and no legally binding agreement has been entered into between the Company and Yanchang Petroleum in respect of the Grant of Share Option. Yanchang Petroleum is required to notify the Grant of Share Option and obtain approval of the same from the relevant government authorities. As Yanchang Petroleum is a substantial shareholder of the Company, which holds approximately 14.51% of the issued share capital of the Company as at the date of this announcement, Yanchang Petroleum is a connected person of the Company within the meaning of the Listing Rules. Where a formal and legally binding agreement is entered into, the Grant of Share Option will constitute a notifiable transaction and connected transaction of the Company under Chapters 14 and 14A respectively of the Listing Rules. Further announcement in respect of the Grant of Share Option will be made in accordance with all applicable requirements of the Listing Rules as and when appropriate.

Shareholders and /or investors should note that the Grant of Share Option may or may not proceed and are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“Board”	the board of Directors
“Company”	Sino Union Energy Investment Group Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange
“Group”	the Company and its subsidiaries
“connected person(s)”	having the meaning ascribed to it under the Listing Rules
“Directors”	directors of the Company

"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"MOU"	the non-legally-binding memorandum of understanding dated 14 April 2011 entered into between the Company and Yanchang Petroleum in relation to the Grant of Share Option
"Yanchang Petroleum"	Shaanxi Yanchang Petroleum (Group) Co., Limited, a state-owned corporation registered in PRC with limited liability, a substantial shareholder of the Company, which holds approximately 14.51% of the issued share capital of the Company
"PRC"	the People's Republic of China
"Grant of Share Option"	a possible grant of share option to Yanchang Petroleum to subscribe for 1,000,000,000 shares of the Company at an exercise price of HK$0.60 each, which is a discount of approximately 9% on average closing prices of the preceding 10 trading days from the date of signing of the MOU, within an exercisable period of 24 months by part
"Shareholders"	holders of the Shares
"Shares"	ordinary shares of HK$0.02 each in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	percentage

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

Hong Kong, 14 April 2011

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

Independent Non-Executive Directors:
Mr. Ng Wing Ka
Mr. Leung Ting Yuk
Mr. Ng Tang