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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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting (“AGM”) of Up Energy Development Group Limited (the “Company”) will be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong Hotel, 238 Jaffe Road, Wanchai, Hong Kong on 29 August 2011 at 10:00 a.m. for the following purposes:

1. to receive and consider the audited consolidated financial statements and the reports of the directors and auditors of the Company for the year ended 31 March 2011;
2. to consider the re-election of the retiring Directors, each as a separate resolution;
3. to authorize the board of directors to fix the remuneration of the Directors;
4. to re-appoint auditors and authorize the board of directors to fix their remuneration;
5. As special business, to consider and, if thought fit, pass with or without alterations, the following resolution as an ordinary resolution:

“THAT

- (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the share capital of the Company or securities convertible into shares of the Company, or options, warrants or similar rights to subscribe for shares of the Company or such convertible securities, and to make or grant offers, agreements and options which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;

* *for identification purposes only*

- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the directors of the Company and shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options (including bonds, warrants, debentures and other securities convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under any option scheme or similar arrangement for the time being adopted by the Company and/or any of its subsidiaries for the grant or issue to eligible participants thereunder or rights to acquire shares in the capital of the Company; or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the bye-laws of the Company in force from time to time, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution and the said approval shall be limited accordingly; and
- (d) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meetings.”

“**Rights Issue**” means the allotment, issue or grant of shares or securities convertible into shares of the Company pursuant to an offer of shares of the Company open for a period fixed by the directors of the Company to the holders of shares or of such securities or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or of such securities or any class thereof as at that date (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognized regulatory body or any stock exchange applicable to the Company).”

6. As special business, to consider and, if thought fit, pass with or without alterations, the following resolution as an ordinary resolution:

“THAT

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase its shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, and, subject to and in accordance with all applicable laws and regulations, be and is hereby generally and unconditionally approved; and
 - (b) the total nominal amount of shares of the Company to be purchased pursuant to the approval in paragraph (a) above of this Resolution during the Relevant Period shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of this Resolution and the said approval shall be limited accordingly; and
 - (c) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws to be held; and
 - (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meetings.
7. As special business to consider and, if thought fit, pass with or without alterations, the following resolution as an ordinary resolution:

“THAT conditional upon Resolutions nos. (5) and (6) above being passed, the general mandate granted to the directors of the Company to exercise the powers of the Company to allot, issue and deal with shares of the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers pursuant to Resolutions no. (5) be and is hereby extended by the total nominal amount of shares in the capital of the Company repurchased by the Company since the granting of a general mandate to the directors of the Company to exercise the powers of the Company to purchase such shares pursuant to Resolution no. (6) above, provided that such amount shall not exceed 10 per cent. of the total nominal amount of the share capital of the Company in issue on the date of this Resolution.”

8. As special business to consider and, if thought fit, pass with or without alterations, the following resolution as an ordinary resolution:

- (a) the existing share option scheme (the “**Existing Share Option Scheme**”) of the Company adopted on 29 October 2002 be and is hereby terminated and conditional upon the Stock Exchange granting the listing of and permission to deal in the shares (the “**Shares**”) of HK\$0.20 each in the capital of the Company falling to be allotted and issued pursuant to the new share option scheme (the “**New Share Option Scheme**”), the terms of which are set out in the document marked “A” which has been produced to this meeting and signed by the chairman of this meeting for the purpose of identification, the rules of the New Share Option Scheme be and are hereby approved and adopted and the directors (the “**Directors**”) of the Company be and are hereby authorised to grant options and to allot, issue and deal in the Shares fall to be allotted and issued upon the exercise of any option granted thereunder and to take all such steps as they may consider necessary or expedient to implement the New Share Option Scheme; and
- (b) the aggregate nominal amount of share capital to be allotted and issued pursuant to resolution numbered 8(a) above, together with any issue of Shares upon the exercise of any options granted under any other share option schemes of the Company as may from time to time adopted by the Company, shall not exceed 10 per cent. of the Shares in issue as at the date of passing of this resolution (the “**Scheme Mandate Limit**”).”

9. As special business to consider and, if thought fit, pass with or without alterations, the following resolution as a special resolution:

“**THAT** the new bye-laws of the Company, a copy of which is tabled at the meeting and marked “B” and initialled by the chairman of the meeting for identification purpose, be and are hereby approved and adopted as the bye-laws of the Company in substitution for and to exclusion of all the existing bye-laws of the Company.”

By Order of the Board

Qin Jun
Chairman

Hong Kong, 27 July 2011

Principal Place of Business in Hong Kong:

Room 2704, 27/F,
Tower 1, Admiralty Centre,
18 Harcourt Road,
Admiralty, Hong Kong

As at the date hereof, the Board of the Company has two executive directors namely Mr. Qin Jun and Mr. Jiang Hongwen, one non-executive director namely Mr. Chau Shing Yim, David and three independent non-executive directors namely Mr. Li Bao Guo, Mr. Lien Jown Jing, Vincent and Dr. Shen Shiao-Ming.

Notes:

1. A shareholder of the Company entitled to attend and vote at the AGM is entitled to appoint one or more proxy(ies) (if he/she/it is the holder of two or more shares) to attend and on a poll, vote instead of him/her at the AGM that the appointment shall specify the number and class of shares in respect of which such proxy is so appointed. A proxy need not be a member of the Company.
2. In order to be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of authority, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof.
3. Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting or at any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.
4. Where there are joint registered holders of any shares, any one of such joint holders may vote, either in person or by proxy in respect of such shares as if he/she was solely entitled thereto, but if more one of such joint holders are present at the meeting, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members of the Company in respect of the shares shall be accepted to the exclusion of the votes of the other registered holders.