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UNITED ENERGY CORP /NV/
Form 10-K/A
July 29, 2004

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AMENDMENT NO. 1 TO FORM 10-K ON
FORM 10-K/A

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended March 31, 2004 Commission file number: 000-30841

UNITED ENERGY CORP.

(Exact name of registrant as specified
in its charter)

NEVADA	22-3342379
-----	-----
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
600 MEADOWLANDS PARKWAY, #20 SECAUCUS, NEW JERSEY	07094
-----	-----
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (201) 842-0288

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UNITED ENERGY CORP.

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EXPLANATORY NOTE

This amendment to our Annual Report on Form 10-K for the fiscal year ended March 31, 2004 is being filed to add Items 10 through 14 of Part III of the Annual Report on Form 10-K, which were omitted in reliance on General Instruction G(3) thereto.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The following table shows the positions held by our board of directors and executive officers and their ages as of May 15, 2004.

NAME	AGE	POSITION
----	---	-----
Ronald Wilen	64	Chairman of the Board, Chief Executive Officer and Director
James McKeever, CPA	38	Interim Chief Financial Officer
Louis Bernstein	54	Director
Andrea Pampanini	63	Director
Martin Rappaport	67	Director

The principal occupations for the past five years (and, in some instances, for prior years) of each of our executive officers and directors are as follows:

RONALD WILEN. Mr. Wilen has served as our Chief Executive Officer and a member of our board since October 1995. Mr. Wilen served as our President from October 1995 to August 2001, and has been our Chairman of the Board since August 2001.

JAMES MCKEEVER, CPA. Mr. McKeever has been our Interim Chief Financial Officer since January 2004. He also continues to be a partner in the accounting firm of Abrams & McKeever CPA's, which he joined in January 2000. Mr. McKeever has more than 14 years' experience in public accounting and financial reporting, and is a member of the American Institute of Certified Public Accountants.

LOUIS BERNSTEIN. Mr. Bernstein has served as a member of our board since September 2003. Mr. Bernstein is currently the Assistant General Counsel of Pfizer Inc., one of the world's largest pharmaceutical companies, where he has served as Pfizer's corporate counsel since December 1975.

ANDREA PAMPANINI. Mr. Pampanini has served as a member of our board since December 2001. Mr. Pampanini is an organizational advisor with extensive restructuring, marketing and strategic planning experience serving, among other

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industries, the chemical, petroleum, pharmaceutical, basic metals, electrical equipment, power generation and heavy industrial goods sectors. In 1989, Mr. Pampanini founded Turnaround Associates Inc., a consulting firm specializing in the financial and operational organization of medium to large-sized companies. Since 1998, Mr. Pampanini has been a member of Leadership Strategies LLC, a group of professionals specializing in strategic planning and personal leadership coaching. Mr. Pampanini has devoted a major portion of his career to the Middle East, including serving as Executive Vice President of Development Resources Corporation from 1971 to 1977, during which time he supervised the final phases of the Dez hydroelectric power and irrigation project in Iran.

MARTIN RAPPAPORT. Mr. Rappaport has served as a member of our board since June 2001. Mr. Rappaport is self-employed. For more than 30 years, he has developed and managed commercial and residential real estate (including owning the building where our office is located). Mr. Rappaport is an active supporter and contributor to Blythedale Children's Hospital in Valhalla, New York.

Directors are elected annually and serve until the next annual meeting of the Company's stockholders, and until their successors have been elected and have qualified. Officers are appointed to their positions, and continue in such positions, at the discretion of the directors.

COMMITTEES OF THE BOARD

We do not currently have any formal board committees.

DIRECTOR COMPENSATION

Each non-employee director receives options for 10,000 shares of our common stock in lieu of an annual retainer and meeting fees. Other than the 10,000 options granted, there are no special fees, contracts entered into, or payments made in consideration of any director's service as a director.

INDEBTEDNESS OF EXECUTIVE OFFICERS AND DIRECTORS

No executive officer, director or any member of these individuals' immediate families or any corporation or organization with whom any of these individuals is an affiliate is or has been indebted to us since the beginning of our last fiscal year.

FAMILY RELATIONSHIPS

There are no family relationships among our executive officers and directors.

LEGAL PROCEEDINGS

During the past five years, none of our executive officers, directors, promoters or control persons has been involved in a legal proceeding material to an evaluation of the ability or integrity of such person.

COMPLIANCE WITH SECTION 16(A) OF THE SECURITIES EXCHANGE ACT OF 1934

Section 16(a) of the Securities Act of 1934, as amended, requires our directors and executive officers, and persons who own more than 10% our outstanding common stock, to file with the SEC, initial reports of ownership and reports of changes in ownership of our equity securities. These persons are required by SEC regulations to furnish us with copies of all the reports they

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file.

To our knowledge, based solely on a review of the copies of the reports furnished to us and written or oral representations that no other reports were required for those persons during the fiscal year ended March 31, 2004, we believe that all of our officers, directors and greater than 10% beneficial owners complied with the reporting requirements of Section 16(a) of the Securities Exchange Act of 1934, as amended.

CODE OF ETHICS

We are in the process of adopting a code of ethics that will apply to all of our directors, officers, employees and independent contractors. The code of ethics will also have specific provisions applicable to all employees with access to, and responsibility for, matters of finance and financial management, including our chief executive officer and interim chief financial officer. Once adopted by our board of directors, the full text of the code of ethics will be available at, and we intend to disclose any amendments to, or waivers from, any provision of the code of ethics that applies to any of our executive officers or directors by posting such information on our website at www.unitedenergycorp.net, or provide a copy of the code of ethics, free of charge, to those persons that make a request in writing (Attn: Robert M. Guinta) or by e-mail (rguinta@unitedenergycorp.net).

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ITEM 11. EXECUTIVE COMPENSATION

The following Summary Compensation Table sets forth, for the years indicated, all cash compensation paid, distributed or accrued for services, including salary and bonus amounts, rendered in all capacities by our chief executive officer and all other executive officers who received or are entitled to receive remuneration in excess of \$100,000 during the stated periods.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Fiscal year	Annual Compensation			Long-term Compensation		LT Pay
		Salary	Bonus	Other Annual Compensation	Restricted Stock Award(s)	Securities Underlying Options/SARs	
		(\$)	(\$)	(1)		(#)	(\$)
Ronald Wilen	2004	196,931	-	22,266 (2)	-	-	
Chairman and CEO	2003	206,923	-	22,308 (2)	100,000	100,000	
	2002	79,500	-	18,642 (2)	-	400,000	
Rodney I. Woods (3)	2004	9,617	-	1,385	-	-	
President	2003	192,308	75,000	3,492	-	500,000	
	2002	-	-	-	-	-	
Sanford M. Kimmel (4)	2004	88,467	3,014	12,485	-	-	
Chief Financial Officer	2003	110,584	21,986	13,439	-	62,500	

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- (1) We pay for medical insurance for all employees. Included in the table is the amount of the premiums paid by us dependent on the coverage provided.
 - (2) During the fiscal years ended March 31, 2004, 2003 and 2002, we paid for the leases on two automobiles used by Mr. Wilen under monthly lease payments. We also paid for medical insurance for Mr. Wilen at a rate of \$925.68 per month. The financial statements reflect imputed salaries for Mr. Wilen totaling \$93,750 for the fiscal year ended March 31, 2002.
 - (3) Mr. Woods resigned as our President and a member of our board in April 2003.
 - (4) Mr. Kimmel resigned as our Chief Financial Officer in December 2003.

OPTIONS/SAR GRANTS IN FISCAL YEAR ENDED MARCH 31, 2004

Name -----	Number of Securities Underlying Options/ SARs Granted ----- (#)	Percent of Total Options/SARs Granted to Employees in Fiscal Year -----	Exercise or Base Price ----- (\$/Sh)
Ronald Wilen Chairman and CEO	--	--	--
Rodney I. Woods (1) President	--	--	--
Sanford M. Kimmel (2) Chief Financial Officer	--	--	--

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- (1) Mr. Woods resigned as our President and a Director in April 2003.
 - (2) Mr. Kimmel resigned as our Chief Financial Officer in December 2003.

AGGREGATED OPTION/SAR EXERCISES IN FISCAL YEAR ENDED MARCH 31, 2004 AND FISCAL YEAR END OPTION/SAR VALUES

Shares Acquired	Value	Number of Securities Underlying Unexercised Options/SARs at Fiscal Year End	Va Opt
-----------------	-------	--	-----------

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Name	on Exercise	Realized	Exercisable/Unexercisable Exer
-----	-----	-----	-----
	(#)	(\$)	(#)
Ronald Wilen Chairman and CEO	--	--	500,000
Rodney I. Woods (1) President	--	--	--
Sanford M. Kimmel (2) Chief Financial Officer	--	--	--

(1) Mr. Woods resigned as President and a Director in April 2003.

(2) Mr. Kimmel resigned as our Chief Financial Officer in December 2003.

STOCK OPTION PLAN

In August 2001, our stockholders approved the 2001 Equity Incentive Plan which provides for the grant of stock options to purchase up to 2,000,000 shares of common stock to any employee, non-employee director or consultant at our board's discretion. Under the 2001 Equity Incentive Plan, options may be exercised for a period up to ten years from the date of grant. Options issued to employees are exercisable upon vesting, which can range between the date of the grant to up to five years.

An amendment and restatement of the 2001 Equity Incentive Plan increasing the number of shares issuable under the plan to a total of 4,000,000 was approved by our board of directors in May 2002 and was approved by our shareholders at our 2003 annual meeting.

Under the plan, options are granted to non-employee directors upon election at the annual meeting of stockholders at a purchase price equal to the fair market value on the date of grant. In addition, non-employee director stock options shall be exercisable in full twelve months after the date of grant unless determined otherwise by the compensation committee.

There were stock options to purchase 1,795,000 shares of our common stock available for future grant as of March 31, 2004 under the 2001 Equity Incentive Plan.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

BENEFICIAL OWNERSHIP INFORMATION

The following table sets forth information regarding the number of shares of our common stock beneficially owned on July 15, 2004, by each of our directors, each of our executive officers named in the Summary Compensation Table above, all of our executive officers and directors as a group, and by any person or "group," as that term is used in Section 13(d)(3) of the Securities Exchange Act of 1934, known to us to own beneficially more than 5% of the

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outstanding shares of our common stock. Except as otherwise set forth below, the address of each of the persons listed below is c/o United Energy Corp., 600 Meadowlands Parkway, #20, Secaucus, New Jersey 07094.

NAME AND ADDRESS OF BENEFICIAL OWNER -----	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP (1) -----	PERCENT OF CLASS (1) -----
Ronald Wilen	4,087,000 (2)	18.0%
James McKeever, CPA	3,000	*
Louis Bernstein	--	*
Andrea Pampanini	42,500 (3)	*
Martin Rappaport	3,020,100 (4)	13.0%
Rodney I. Woods (5)	100,000 (6)	*
Sanford M. Kimmel (5)	--	*
All current executive officers and directors as a group (5 persons)	7,152,600	30.4%
5% or Greater Stockholders:		
John Holmgren 301 Merritt 7 Norwalk, CT 06851	1,500,000 (7)	6.7%
UNRG Investments LLC 3960 Howard Hughes Parkway, 5th Floor Las Vegas, NV 89109	1,500,000 (7)	6.7%
LSR Capital UNRG, LLC 50 Charles Lindbergh Blvd., Suite 500 Uniondale, NY 11553	1,500,000 (7)	6.7%
Robert L. Seaman 515 Madison Ave. New York, NY 10022	2,361,627 (8)	10.6%
Laurus Master Fund, Ltd. c/o Ironshore Corporate Services Ltd. P.O. Box 1234 G.T. Queensgate House, South Church Street Grand Cayman, Cayman Islands	2,050,000 (9)	8.5%

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* Less than 1% of outstanding shares.

- (1) Unless otherwise indicated in these footnotes, each stockholder has sole voting and investment power with respect to the shares beneficially owned. All share amounts reflect beneficial ownership determined pursuant to Rule 13d-3 under the Exchange Act. All information with respect to beneficial ownership has been furnished by the respective director, executive officer or stockholder, as the case may be.
- (2) Includes (i) stock options to purchase 400,000 shares at an exercise price of \$1.11 per share, and (ii) stock options to purchase 100,000 shares at an exercise price of \$1.80 per share, which are currently exercisable.
- (3) Includes stock options to purchase 10,000 shares at an exercise price of \$.70 per share and 10,000 shares at an exercise price of \$1.80 per share, which are currently exercisable, but are subject to reduction, on a proportional basis, if Mr. Pampanini voluntarily resigns as a director prior to November 2004.
- (4) Includes (i) stock options to purchase 10,000 shares at an exercise price of \$.70 per share and 10,000 shares at an exercise price of \$1.80 per share, which are currently exercisable, but are subject to reduction, on a proportional basis, if Mr. Rappaport voluntarily resigns as a director prior to November 2004; and (ii) stock options to purchase 50,000 shares at an exercise price of \$1.11 per share and warrants to purchase 750,000 shares of common stock at an exercise price of \$2.00 per share, which are currently exercisable.
- (5) Mr. Woods resigned as our President and a member of our board in April 2003 and Mr. Kimmel resigned as our Chief Financial Officer in December 2003.
- (6) Represents a warrant to purchase shares of common stock at an exercise price of \$1.00 per share, which are currently exercisable.
- (7) Includes 1,000,000 shares of common stock and warrants to purchase 500,000 shares of common stock.
- (8) Includes (i) 1,861,627 shares held by Mr. Seaman; (ii) 100,000 shares held by the law firm Seaman & Wehle, of which Mr. Seaman is a member; and (iii) options to purchase 400,000 shares at an exercise price of \$1.11 per share, all of which are currently exercisable.
- (9) Represents 1,750,000 shares which may be acquired immediately upon conversion of an outstanding secured convertible term note at a conversion price of \$1.00 per share and 300,000 shares which may be purchased immediately upon exercise of an outstanding common stock purchase warrant at an average exercise price of \$1.50 per share. The convertible note and warrant contain provisions which restrict Laurus from beneficially owning in excess of 4.9% of our outstanding shares of common stock. Laurus Capital Management, LLC, a Delaware limited liability company, may be deemed a control person of the shares owned by Laurus Master Fund, Ltd. David Grin and Eugene Grin are the principals of Laurus Capital Management, LLC. The address for Messrs. Grin is 825 Third Avenue, 14th Floor, New York, New York 10022.

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Equity Compensation Plan Information

The following table provides information regarding the status of our existing equity compensation plans at March 31, 2004.

PLAN CATEGORY -----	NUMBER OF SECURITIES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS -----	WEIGHTED-AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIO WARRANTS AND RIGH -----
Equity compensation plans approved by security holders	2,205,000	\$1.32
Equity compensation plans not approved by security holders	4,225,000	\$1.70
Total	6,430,000	--

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Martin Rappaport, one of our directors, owns the building in which we lease our principal executive offices in Secaucus, New Jersey. We pay approximately \$100,000 per year under the lease, excluding real estate taxes. We believe that this transaction was advantageous to us and was on terms no less favorable to us than could have been obtained from unaffiliated third parties.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

AUDIT FEES

The aggregate fees billed by Imowitz, Koenig & Co., LLP ("Imowitz") for professional services rendered for the audit of our annual financial statements for the fiscal year ended March 31, 2004 and for the reviews of the interim financial statements included in our Quarterly Reports on Form 10-Q for that fiscal year were approximately \$47,400. The aggregate fees billed by Grant Thornton for professional services rendered for the audit of our annual financial statements for the fiscal year ended March 31, 2003 and for the reviews of the interim financial statements included in our Quarterly Reports on Form 10-Q for that fiscal year were approximately \$82,500.

AUDIT-RELATED FEES

No fees were billed by Imowitz for audit-related services for the fiscal year ended March 31, 2004. No fees were billed by Grant Thornton for audit-related services for the fiscal year ended March 31, 2003.

TAX FEES

No fees were billed by Imowitz for tax services for the fiscal year ended March 31, 2004. No fees were billed by Grant Thornton for tax services for the fiscal year ended March 31, 2003.

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ALL OTHER FEES

Neither Imowitz nor Grant Thornton rendered any other services, other than the services described above under "Audit Fees," for the fiscal year ended March 31, 2004 or the fiscal year ended March 31, 2003, respectively.

Our board of directors has established a policy requiring its pre-approval of all audit services and permissible non-audit services provided by the independent auditors, along with the associated fees for those services. The policy requires the specific pre-approval of all permitted services. When considering the pre-approval of non-audit services, our board considers whether the provision of such non-audit service is consistent with the auditor's independence and the Securities and Exchange Commission rules regarding auditor independence. Additionally, our board considers whether the independent auditors are best positioned and qualified to provide the most effective and efficient service, based on factors such as the independent auditors' familiarity with our business, personnel, systems or risk profile and whether provision of the service by the independent auditors would enhance our ability to manage or control risk or improve audit quality or would otherwise be beneficial to us.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

In addition to the Exhibits and Current Reports on Form 8-K listed in our Annual Report on Form 10-K for the fiscal year ended March 31, 2004, the following exhibits are filed herewith:

(A) Exhibits:

- 31.1 Certification of Chief Executive Officer pursuant to Rule 13a-14(a) under the Exchange Act.
- 31.2 Certification of Interim Chief Financial Officer (principal financial and accounting officer) pursuant to Rule 13a-14(a) under the Exchange Act.
- 32.1 Certification of Chief Executive Officer and Interim Chief Financial Officer (principal financial and accounting officer) pursuant to Rule 13a-14(b) under the Exchange Act and 18 U.S.C. Section 1350.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

UNITED ENERGY CORP.

