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PetroAsian Energy Holdings Limited

中亞能源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 850 & Warrants code: 344)

GRANT OF SHARE OPTIONS

This announcement is made pursuant to Rule 17.06A of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board of directors (the “**Board**”) of PetroAsian Energy Holdings Limited (the “**Company**”) resolved on 31 August 2009 (the “**Date of Grant**”) for the granting of share options (the “**Options**”) to an Executive Director and 13 employees (the “**Grantees**”) to subscribe for ordinary shares of HK\$0.01 each of the Company (the “**Share(s)**”). The resolution is made under its share option scheme adopted on 21 October 2002 and subject to the acceptance of the Grantees. Details of the Options are set out as follows:

Date of grant : 31 August 2009

Exercise price of : HK\$0.412 per Share (which is the highest of (i) HK\$0.01, being the nominal value of a Share; (ii) HK\$0.39, being the closing price of the Shares as stated in the daily quotations sheet of Stock Exchange on the date of the offer of the grant of Options, and (iii) HK\$0.412, being the average closing price of the Shares as stated in the daily quotations sheets of the Stock Exchange from 24 August, 2009 to 28 August, 2009, both days

inclusive (being the five trading days immediately preceding the date of the offer of the grant of Options))

Number of Options granted : 70,000,000 Options

Closing price of the Shares
on the date of grant : HK\$0.39 per Share

Validity period of the Options : 31 August 2009 to 30 August 2010

Among the Options granted above, 10,000,000 Options were granted to the directors of the Company, details of which are as follows

:

<u>Name of Director</u>	<u>Position</u>	<u>Number of Options</u>
Poon Wai Kong	Executive Director	10,000,000

Save as disclosed in this announcement, none of the Grantees of the Options is a Director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company, or an associate (as defined in the Listing Rules) of any of them.

By order of the Board
PetroAsian Energy Holdings Limited
Poon Sum
Chairman

Hong Kong, 31 August 2009

As at the date of this announcement, the Board comprises (i) three executive directors, namely Mr. Poon Sum, Mr. Wong Kwok Leung and Mr. Poon Wai Kong and (ii) three independent non-executive directors, namely Mr. Chan Kam Ching, Paul, Mr. Chan Shu Kin and Mr. Cheung Kwan Hung