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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)

MAJOR AND CONNECTED TRANSACTION

AND

RESUMPTION OF TRADING

On 28 October 2009 (after trading hours), Merry Boom, a wholly-owned subsidiary of the Company, entered into the Agreement with Well Lead pursuant to which Merry Boom has agreed to purchase and Well Lead has agreed to sell the Sale Shares and the Sale Loan at an aggregate consideration of HK\$168 million.

The consideration of HK\$168 million for the sale and purchase of the Sale Shares and the Sale Loan shall be satisfied by Merry Boom, of which (i) HK\$44,652,376.58 shall be settled by entering into the Deed of Novation; (ii) HK\$39,347,623.42 shall be settled, at Merry Boom's sole discretion, either in cash or by procuring the Company to allot and issue the First Consideration Shares to Well Lead, credited as fully paid, at the Issue Price at Completion or a combination of both; and (iii) the remaining HK\$84 million shall be settled either in cash or by procuring the Company to allot and issue the Second Consideration Shares to Well Lead, credited as fully paid, at the Issue Price on or before the date falling the 45th day of the date of Completion (as such later date as the parties may agree) or a combination of both.

The Acquisition constitutes a major transaction on the part of the Company under Chapter 14 of the Listing Rules. Well Lead, being a substantial shareholder of Northeast, a subsidiary of the Company, is a connected person of the Company. Accordingly, the Acquisition also constitutes a non-exempt connected transaction on the part of the Company under the Listing Rules and is subject to reporting, announcement and Independent Shareholders' approval requirement.

Pursuant to Chapter 14A of the Listing Rules, Well Lead, Mr. Au and their respective associates are required to abstain from voting on the resolution at the EGM to approve the Agreement and the transactions contemplated thereunder.

The Independent Board Committee comprising Mr. Chan Kam Ching, Paul, Mr. Chan Shu Kin and Mr. Cheung Kwan Hung, being all the independent non-executive Directors, will be formed to advise the Independent Shareholders as to the fairness and reasonableness of the Acquisition. An independent financial adviser will be appointed to advise the Independent Board Committee in this regard.

The EGM will be convened and held by the Company to consider and approve, if thought fit, the Agreement and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Consideration Shares.

A circular containing, among other matters, further information on the Acquisition, notice of the EGM, the letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders, the letter from the Independent Board Committee to the Independent Shareholders, will be despatched to the Shareholders within 21 days after the publication of this announcement.

At the request of the Company, trading in the issued Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 29 October 2009 pending the issue of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the issued Shares with effect from 9:30 a.m. on 2 November 2009.

THE AGREEMENT

Date: 28 October 2009 (after trading hours)

Parties: (1) Vendor: Well Lead
(2) Purchaser: Merry Boom, a wholly-owned subsidiary of the Company

Well Lead is principally engaged in investment holding and is wholly and beneficially owned by Mr. Au. Well Lead, being a substantial shareholder of Northeast, a subsidiary of the Company, is a connected person of the Company. Mr. Au is also a director of Northeast.

Asset to be acquired

Pursuant to the Agreement, Merry Boom has agreed to acquire and Well Lead has agreed to sell (i) the Sale Shares, representing 49% of the entire issued share capital of Northeast immediately prior to Completion; and (ii) the Sale Loan, which amounted to HK\$8,928,505.24 as at the date of the Agreement.

Consideration

The consideration of HK\$168 million for the sale and purchase of the Sale Shares and the Sale Loan shall be satisfied by Merry Boom in the following manner:

- (1) HK\$44,652,376.58 shall be settled by way of entering into the Deed of Novation among Well Lead, Merry Boom and Northeast;

- (2) HK\$39,347,623.42 shall, at Merry Boom's sole discretion, be settled either in cash or by procuring the Company to allot and issue the First Consideration Shares to Well Lead, credited as fully paid, at the Issue Price at Completion or a combination of both; and
- (3) the remaining HK\$84 million shall, at Merry Boom's sole discretion, be settled either in cash or by procuring the Company to allot and issue the Second Consideration Shares to Well Lead, credited as fully paid, at the Issue Price on or before the date falling the 45th day of the date of Completion (as such later date as the parties may agree) or a combination of both.

The consideration for the Sale Shares and the Sale Loan was determined with reference to: (i) the preliminary assessment report prepared by the Research Institute, based on which it is estimated that the crude oil reserve of the Joint Development Zone is approximately 3.16 million ton; (ii) the acquisition costs for the acquisition of 51% interest in Northeast under the Previous Acquisition Agreement; and (iii) certain recent merger and acquisition transactions in the PRC and other parts of Asia regarding various levels of interests in certain oil reserves. The Directors consider the terms and conditions of the Acquisition have been arrived at after arm's length negotiations between Well Lead and Merry Boom and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Directors (excluding the independent non-executive Directors who shall provide their view after considering the advice from the independent financial adviser) consider the terms and conditions of the Acquisition to be on normal commercial terms and fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

In addition, according to the Previous Acquisition Agreement, if Northeast requires additional funding for its working capital other than by way of borrowings from banks or other financial institutions, the Group and Well Lead shall contribute additional funds in the form of unsecured, non-interest bearing shareholders' loan in proportion to their respective shareholding in Northeast.

As at the date of the Agreement, an aggregate sum of HK\$55,767,856.59 has been advanced by the Group to Northeast as shareholder's loan. Accordingly, a sum of HK\$53,580,881.82 should be advanced by Well Lead in proportion to its shareholding in Northeast, while HK\$8,928,505.24 has been injected by Well Lead as at the date hereof and HK\$44,652,376.58 remain outstanding ("**Well Lead Outstanding Obligation**"). It is agreed between the parties to the Agreement that the Deed of Novation will be entered into among Well Lead, Merry Boom and Northeast upon Completion, and pursuant to which Merry Boom will assume the Well Lead Outstanding Obligation as partial settlement of the consideration of the Acquisition.

Conditions

The Agreement was conditional upon:

- (1) all necessary consents and approvals required to be obtained on the part of Well Lead in respect of the Agreement having been obtained;
- (2) there being no matter, fact or circumstance which will constitute or likely to

constitute a breach of the warranties or the provisions in the Agreement;

- (3) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Consideration Shares; and
- (4) the passing by the Independent Shareholders at the EGM of an ordinary resolution to approve the Agreement and the transactions contemplated hereunder, including but not limited to the allotment and issue of the Consideration Shares.

If the conditions have not been satisfied on or before the date falling three months from the date of the Agreement, or such later date as Well Lead and Merry Boom may agree, the Agreement shall cease and determine, and thereafter neither party to the Agreement shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

Completion

Completion shall take place at 4:00 p.m. on the date falling seven Business Days after the fulfilment of the conditions or such later date as may be agreed between Well Lead and Merry Boom.

Upon Completion, Northeast will become a wholly-owned subsidiary of the Company.

THE CONSIDERATION SHARES

Up to 275,329,516 Consideration Shares will be issued at the Issue Price of approximately HK\$0.448 per Consideration Share, credited as fully paid. The Consideration Shares, when allotted and issued, shall rank *pari passu* in all respects with the Shares then in issue on the date of allotment and issue of the Consideration Shares.

The Issue Price represents: (i) a premium of approximately 7.95% over the closing price of HK\$0.415 per Share as stated in the daily quotations sheets of the Stock Exchange on 28 October 2009, being the date of the Agreement; (ii) a premium of approximately 6.92% over the average of the closing prices of HK\$0.419 per Share as stated in the daily quotations sheets of the Stock Exchange for the last five consecutive trading days up to and including 27 October 2009, being the date immediately preceding the date of the Agreement; and (iii) a discount of approximately 38.96% to the net asset value per Share of approximately HK\$1.15 based on the audited consolidated financial statements of the Group as at 31 March 2009.

The Issue Price was arrived at after arm's length negotiations between Merry Boom and Well Lead with reference to various factors including the trading price of the Shares as set out above and the financial performance of the Group for the year ended 31 March 2009. The Directors consider that the Issue Price is fair and reasonable and issue of the Consideration Shares at the Issue Price is in the interests of the Company and the Shareholders as a whole.

The Consideration Shares will be allotted and issued pursuant to the specific mandate to be sought at the EGM and will be allotted and issued pursuant to the terms and conditions of the Agreement.

As at the date of this announcement, the Company has 2,678,322,105 Shares in issue. The maximum of 275,329,516 Consideration Shares represent approximately 10.28% of the existing issued share capital of the Company and approximately 9.32% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares.

Application for listing

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

CHANGES IN SHAREHOLDING STRUCTURE

Assuming there being no other change in the shareholding structure of the Company (other than those as contemplated under the Agreement), the following table sets out the shareholding structure of the Company (i) as at the date of this announcement and before Completion; (ii) immediately after Completion and the allotment and issue of the maximum amount of First Consideration Shares; and (iii) immediately after Completion and the allotment and issue of the maximum amount of First Consideration Shares and the maximum amount of Second Consideration Shares:

Shareholders	As at the date of this announcement and before Completion		Immediately after Completion and the allotment and issue of the maximum amount of First Consideration Shares		Immediately after Completion and the allotment and issue of the maximum amount of First Consideration Shares and maximum amount of Second Consideration Shares	
	No. of Shares	Approximate Percentage	No. of Shares	Approximate percentage	No. of Shares	Approximate percentage
Mr. Poon Sum (Note 1)	122,770,453	4.58%	122,770,453	4.43%	122,770,453	4.16%
Mr. Poon Sau Tin (Note 2)	46,224,453	1.73%	46,224,453	1.67%	46,224,453	1.56%
Ever Source (Note 3)	377,794,558	14.11%	377,794,558	13.66%	377,794,558	12.79%
Public Shareholders	2,131,532,641	79.58%	2,131,532,641	77.06%	2,131,532,641	72.17%
Well Lead	Nil	Nil	87,829,516	3.18%	275,329,516	9.32%
Total	2,678,322,105	100.00%	2,766,151,621	100.00%	2,953,651,621	100.00%

Notes:

1. Mr. Poon Sum is the chairman of the Company and is the brother of Mr. Poon Sau Tin. As at the date of the announcement, Mr. Poon Sum also holds interests in 110,000,000 share options of the Company
2. Mr. Poon Sau Tin is the elder brother of Mr. Poon Sum.
3. The issued share capital of Ever Source Enterprises Limited is beneficially owned as to 50% by Time Concord Limited, a company incorporated in the British Virgin Islands and indirectly owned by a discretionary trust, the beneficiaries of which are family members of Mr. Poon Sum, and as to 50% by Guidance Investments Limited, a company incorporated in the British Virgin Islands and indirectly

owned by a discretionary trust, the beneficiaries of which are family members of Mr. Poon Sau Tin.

INFORMATION ON THE NORTHEAST GROUP

Northeast is a company incorporated in Hong Kong on 20 June 2006 and is principally engaged in investment holding.

On 16 April 2007, Qiqihar Oil and the Northeast entered into the JV Agreement pursuant to which Qiqihar Northeast, will be established by Northeast and Qiqihar Oil for the development of the oil exploitation business in the Joint Development Zone for a term of 20 years. According to the JV Agreement, the total investment in and the registered capital of the Qiqihar Northeast will amount to US\$6.45 million in which Northeast will contribute US\$6.13 million (equivalent to approximately HK\$47.81 million) in cash, equivalent to 95% of the registered capital of Qiqihar Northeast while Qiqihar Oil will contribute an amount in RMB equivalent to US\$0.32 million (equivalent to approximately HK\$2.5 million) in cash, representing 5% of the registered capital of Qiqihar Northeast. Qiqihar Northeast has been accounted as an indirect subsidiary of the Company since its establishment.

Pursuant to the JV Agreement, Qiqihar Oil has granted to Qiqihar Northeast the exclusive right to develop the oil exploitation business in the Joint Development Zone. In addition, a first right of refusal has been granted by Qiqihar Oil such that Qiqihar Northeast will have such exclusive right to develop the oil exploitation business in certain area within the Meilisi 723 district should Qiqihar Oil obtain the relevant exploitation license in respect of such area.

In accordance with the JV Agreement, Qiqihar Oil would be entitled to receive, on a monthly basis, 5% of the sales of the oil made by Qiqihar Northeast, however, it will not be entitled to any distributable profit of Qiqihar Northeast, which will all belong to Northeast.

The following tables show the consolidated turnover, net profit before tax, net profit after tax, net asset value and total asset value of Northeast Group based on its unaudited financial statements:

	For the period commencing from 20 June 2006 (being the date of incorporation of Northeast) until 31 December 2006			As at 31 December 2006	
	Turnover	Net loss before tax	Net loss after tax	Net liabilities	Total asset value
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Northeast Group	-	17	17	17	17

	For the 15 months ended 31 March 2008			As at 31 March 2008	
	Turnover	Net loss before tax	Net loss after tax	Net liabilities	Total asset value
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Northeast Group	-	2,732	2,732	2,738	2,602

	For the year ended 31 March 2009			As at 31 March 2009	
	Turnover	Net loss before tax	Net loss after tax	Net assets	Total asset value
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Northeast Group	7,700	95,890	95,890	823,524	1,691,210

	For the five months ended 31 August 2009 (unaudited)			As at 31 August 2009 (unaudited)	
	Turnover	Net loss before tax	Net loss after tax	Net assets	Total asset value
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Northeast Group	563	33,730	33,730	841,140	1,731,840

REASONS FOR THE ACQUISITION

As at the date hereof, the Group is principally engaged in manufacture and sale of paints, blended solvents and plastic colorants, trading of chemical materials, provision of painting service, property investment and exploitation and sale of crude oil.

The Group will acquire the remaining 49% equity interests of Northeast through the Acquisition. Upon Completion, Northeast will become an indirect wholly owned subsidiary of the Company.

As at the date hereof, 22 wells have been drilled on the Joint Development Zone for the period commencing from 8 March 2007, being the date of completion of the Previous Acquisition Agreement, until the date of this announcement, out of which 11 wells have been put into operation. In view of the progress of the development of the Joint Development Zone, and the Board is optimistic about the future prospects and growth potential for the oil industry in the PRC, the Company is eager to consolidate its control in Northeast in order to maximize the interest of the Group and thus, its returns on investments in Northeast.

In addition, in consideration of (i) the recent market price of approximately US\$77 (equivalent to approximately HK\$600.6) per barrel of crude oil, (ii) the preliminary assessment report prepared by the Research Institute, based on which it is estimated that the crude oil reserve of the Joint Development Zone is approximately 3.16 million ton, which is equivalent to approximately 23 million barrels of crude oil reserve; and (iii) the projected interest in the estimated crude oil reserve of approximately 11.27 million barrels attributable to the 49% interest in Northeast; and (iv) the consideration for the Acquisition of HK\$168 million, the Acquisition allows the Group to acquire interest in approximately 11.27 million barrels of crude oil reserve at an average cost of US\$1.91 (equivalent to approximately HK\$14.9), which represents a significant discount to the recent market price.

Further, the Directors believe that the Acquisition allows the Group to fully integrate the operation and management of the Northeast Group within the Group and also provides the Group with promising business potential while further enjoys the costs benefits, operating

efficiency and other synergistic effect and strengthen the energy business of the Group. The Directors further consider that the Acquisition enables the Group to tap further into the benefits of Northeast by capturing the entire profits of Northeast.

Taking into account of the aforesaid reasons, the Directors (excluding all independent non-executive Directors who shall form their view after taking into account the advice given by the independent financial adviser) consider that terms of the Acquisition is fair and reasonable and the Acquisition is in the interests of the Shareholders and the Company as a whole.

LISTING RULES IMPLICATION

The Acquisition constitutes a major transaction on the part of the Company. Well Lead, being a substantial shareholder of Northeast, a subsidiary of the Company, is a connected person of the Company. Accordingly, the Acquisition also constitutes a non-exempt connected transaction on the part of the Company under the Listing Rules and is subject to reporting, announcement and Independent Shareholders' approval requirement.

The EGM will be convened and held by the Company to consider and approve, if thought fit, the Agreement and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Consideration Shares.

Pursuant to Chapter 14A of the Listing Rules, Well Lead, Mr. Au and their respective associates are required to abstain from voting on the resolution at the EGM to approve the Agreement and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save and except the Consideration Shares to be allotted and issued pursuant to the terms and conditions of the Agreement, none of Well Lead and Mr. Au and their respective associates is interested in any Shares as at the date thereof.

GENERAL

The Independent Board Committee comprising Mr. Chan Kam Ching, Paul, Mr. Chan Shu Kin and Mr. Cheung Kwan Hung, being all the independent non-executive Directors, will be formed to advise the Independent Shareholders as to the fairness and reasonableness of the Acquisition. An independent financial adviser will be appointed to advise the Independent Board Committee in this regard.

A circular containing, among other matters, further information on the Acquisition, notice of the EGM, the letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders, the letter from the Independent Board Committee to the Independent Shareholders, will be despatched to the Shareholders in compliance with the Listing Rules.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the issued Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 29 October 2009 pending the issue of this announcement. Application has been made by the Company to the Stock Exchange for

the resumption of trading in the issued Shares with effect from 9:30 a.m. on 2 November 2009.

Definitions

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

“Acquisition”	the proposed acquisition by Merry Boom of the Sale Shares and the Sale Loan subject to and upon the terms and conditions of the Agreement
“Agreement”	the agreement dated 28 October 2009 and made between Well Lead and Merry Boom for the sale and purchase of the Sale Shares and the Sale Loan
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Company”	PetroAsian Energy Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Stock Exchange
“Completion”	completion of the sale and purchase of the Sale Shares and the Sale Loan in accordance with the terms and conditions of Agreement
“connected person”	has the meaning ascribed to it in the Listing Rules
“Consideration Shares”	together, the First Consideration Shares and the Second Consideration Shares, and each a “Consideration Share”
“Deed of Novation”	a deed of novation to be entered into among Well Lead, Merry Boom and Northeast upon Completion, and pursuant to which Merry Boom shall assume the responsibility under the Well Lead Outstanding Obligation and as partial settlement of the consideration of the Acquisition
“Directors”	directors of the Company
“EGM”	an extraordinary general meeting of the Shareholders to be held and convened to approve the Agreement and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Consideration Shares
“First Consideration Shares”	up to 87,829,516 new Shares to be allotted and issued to the Vendor on Completion
“Group”	the Company together with its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Honour Bright”	Honour Bright Investments Limited, a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary of the Company and was interested in 51% of the entire issued share capital of Northeast as at the date hereof
“Independent Board Committee”	the independent committee of the Board, comprising the independent non-executive Directors, formed for the purpose of advising the Independent Shareholders in relation to the Acquisition
“Independent Shareholders”	Shareholders which are not required to abstain from voting at EGM to approve the Agreement and the transactions contemplated thereunder
“Independent Third Party”	the independent third party who is, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, independent of the Company and connected persons (as defined under the Listing Rules) of the Company
“Issue Price”	the issue price of approximately HK\$0.448 per Consideration Share
“Joint Development Agreement”	the joint development agreement previously proposed to be entered into between Shengli Oil and Northeast
“Joint Development Zone”	certain part of the Fu 710 and Meilisi 723 districts in the Fulaerjiqu Oilfield with a total area of approximately 34 sq. km., which is the subject area of the Joint Development Agreement
“JV Agreement”	the joint venture agreement entered into between Northeast Oil and Qiqihar Oil on 16 April 2007 for the establishment of Qiqihar Northeast
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Merry Boom”	Merry Boom Investment Limited, a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of the Company and the purchaser of the Sale Shares and the Sale Loan
“Meilisi 723”	梅里斯 723 礦區
“Mr. Au”	Mr. Au Kin Keung, the legal and beneficial owner of the entire issued share capital of Well Lead and a director of Northeast

“Northeast”	Northeast Oil (China) Development Company Limited, a company incorporated in Hong Kong with limited liability, the entire issued share capital of which was being held by Honour Bright and Well Lead as to 51% and 49% respectively as at the date of the Agreement
“Northeast Group”	Northeast and its subsidiary, Qiqihar Northeast
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Previous Acquisition Agreement”	the sale and purchase agreement dated 26 January 2007 entered into between Well Lead as vendor and Honour Bright as purchaser in relation to the acquisition of 51% interest in Northeast, details of which have been disclosed in the circular of the Company dated 16 February 2007
“Qiqihar Northeast”	齊齊哈爾市東北石油開發有限責任公司(Qiqihar Northeast Oil Development Company Limited), the co-operative joint venture company established by Northeast and Qiqihar Oil under the JV Agreement
“Qiqihar Oil”	齊齊哈爾油田開發建設總公司, a PRC incorporated oil exploitation and sales company and the holder of the exploitation license for the Joint Development Zone
“Sale Loan”	all obligations, liabilities and debts owing or incurred by Northeast to Well Lead on or at any time prior to Completion whether actual, contingent or deferred and irrespective of whether the same is due and payable on Completion which as at the date of the Agreement, amounted to HK\$8,928,505.24
“Sale Shares”	4,900 ordinary shares of HK\$1.00 in the issued share capital of Northeast, representing 49% of the entire issued share capital of Northeast
“Second Consideration Shares”	up to 187,500,000 new Shares to be allotted and issued to the Vendor on or before the date falling the 45 th day of the date of Completion (as such later date as the parties may agree)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Research Institute”	大慶油田有限責任公司勘探開發研究院(Exploration and

Development Research Institute of Daqing Oilfield Company Ltd.), an institute specialises in the research of the exploitation and reserve of oil and gas and an Independent Third Party

“Well Lead”	Well Lead Group Limited, a company incorporated in the British Virgin Islands and the vendor of the Sale Shares and the Sale Loan
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“US\$”	United States dollars, the lawful currency of the United States of America
“sq. km”	square kilometres
“%”	per cent.

For the purpose of this announcement, unless otherwise specified, conversion of RMB into HK\$ and US\$ into HK\$ are based on the approximate exchange rate of RMB88 to HK\$100 and US\$1 to HK\$7.8 respectively. These exchange rates are for illustration purpose only and do not constitute a representation that any amounts have been, could have been, or may be exchanged at these or any other rate at all.

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

Hong Kong, 30 October 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.