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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)

(Warrant Code: 344)

### **UPDATE ON THE DISCLOSEABLE TRANSACTION FOR THE ACQUISITION OF 51% PARTICIPATING INTERESTS AND 52.96% PAYING INTERESTS IN KSAR HADADA PERMIT**

Reference is made to the announcements (together, the “**Announcements**”) of the Company dated 8 June 2009 and dated 15 June 2009 respectively. In the Announcements, the Company has announced, among other matters, that the Group, Petroceltic Ksar Hadada Limited and Independent Resources (Ksar Hadada) Limited have entered into the Agreement pursuant to which the Group has agreed to acquire 51% of the Participating Interests and 52.96% of the Paying Interests in the Ksar Hadada Permit.

Definitions used in the Announcements shall, unless the context otherwise requires, have the same meanings when used in this announcement.

The Board wishes to announce that on 12 January 2010, the Company received the finalized operations, data and processing reports from CGGVeritas (the “**Contractor**”), pursuant to the service agreement (the “**Service Agreement**”) entered into between the Contractor and the Company on 30 November 2009, the Company had agreed to engage the Contractor in the acquisition (the “**Acquisition Service**”) of 103.2 km of new 2D seismic data for the Ksar Hadada exploration permit. The Acquisition Service was conducted from the 19th November 2009 to the 24th November 2009. PetroAsian Energy (Tunisia) Ltd., a non-wholly owned subsidiary of the Company, and its partner companies are in the process of analyzing and interpreting this newly acquired data to determine the next two target well locations for exploratory drilling in this upcoming year.

The Acquisition Service was conducted on, but not limited to, the generation and recording of seismic data, results of processing and graphical interpretation of seismic sections, and quality control on the results of the acquisition. The Contractor successfully generated and submitted the complete seismic data acquisition of the Ksar Hadada block including: raw land survey field observations data, an integrated horizontal and vertical closure map showing the co-ordinate traverse segment, integrated static correction techniques, geometrical seismic data merging, amongst other methodologies. Comprising of 6 new seismic lines (PC109-101, PC109-102, PC109-103, PC109-104, PC109-105, PC109-106) with a total length of 103.2 km with an average of 10.3 km/day for a grand total of 2,581 vibrated points, the seismic imaging targeted mainly the Triassic, Paleozoic and Top Ordovician layers.

The Acquisition Service was completed to fulfill the company’s work commitment to L’Entreprise Tunisienne d’Activites Petrolieres (ETAP) pursuant to the Convention dated 12th December 2003. In conjunction, the work completed satisfies the requirements pursuant to the clause 4.2.2 as stated in the Sales and Purchase Agreement between PetroAsian Energy (Tunisia) Ltd, Petroceltic Ksar Hadada Ltd. And Independent Resources (Ksar Hadada) Ltd. dated 8th June 2009.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Contractor is a leading provider of high-end seismic data acquisition services both onshore and offshore. CGGVeritas is a recognized leader in data processing & imaging services, made available via a worldwide network of 28 open seismic data processing centers and 15 client-dedicated centers. A suite of advanced technologies, developed and honed from their continuous innovation, take seismic data processing into the reservoir and greatly

enhance reservoir knowledge to improve exploitation. With 22 marine vessels and a potential capacity of 35 land and transition zone crews operating around the globe, they are equipped to conduct all seismic projects. They possess an experience and wealth of technological and operational expertise that ensure best design and implement the best acquisition solution to overcome challenges. CGGVeritas resulted from the combination of Compagnie Générale de Géophysique (CGG) and Veritas DGC Inc. (Veritas). Those two companies have been pioneers in the advancement of geophysical exploration since 1931. CGGVeritas has 110 years of combined operating experience and a recognized track record of technological leadership in the science of geophysics. It has a total workforce of approximately 7,000 staff operating worldwide,. CGGVeritas is incorporated in France, with executive offices located in Paris, France.

The Board will further update the Shareholders and the investing public from time to time on any major development of the Acquisition.

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

Hong Kong, 15 January 2010

*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.*