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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)

UNUSUAL SHARE PRICE AND TRADING VOLUME MOVEMENTS

This statement is made at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

We have noted the recent increase in the price and trading volume of the shares of PetroAsian Energy Holdings Limited (the “**Company**”, together with its subsidiary, the “**Group**”) today and wish to state that save as disclosed below, we are not aware of any reasons for such increase.

We would like to clarify the information contained in certain press articles (the “**Press Articles**”) published on 19 January 2010 that there were statements made in the Press Articles mentioning that “(t)here were rumours that PetroAsian Energy Holdings Ltd. had, through a PRC-funded investment firm, invited certain PRC-funded investors to invest in the oilfield development project in Tunisia. It was noted that positive feedbacks had been received, and would not ruled-out the possibility that speculators had already been proactively acquiring shares of the Company from the market”.

We would like to clarify that save and except the Company had in December 2009 engaged a PRC-funded financial adviser to provide financial services to the Group, including but not limited to assist the Group in liaising and negotiating with financial providers or business partners to the Group regarding the oilfield development project of the Group in Tunisia, we are not aware of any matters as mentioned in the Press Articles above.

We would further emphasize that there is no legally-binding agreement and/or understanding in any form has been entered into by the Company in this regard. The Company will comply with the provision of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) to make timely disclosure as and when appropriate.

We confirm that there are no negotiations or agreements relating to any intended acquisitions or realizations which are discloseable under Rule 13.23 of the Listing Rules, nor the Board is aware of any other matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

Made by the order of the Board, the directors individually and jointly accept responsibility for the accuracy of this statement.

By order of the Board
PetroAsian Energy Holdings Limited
Poon Wai Kong
Executive Director

Hong Kong, 19 January 2010

As at the date of this statement, 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.