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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)

COMPLETION OF PLACING OF NEW SHARES UNDER GENERAL MANDATE

COMPLETION OF PLACING

The Board announces that the Placing was completed on 26 February 2010 in accordance with the terms and conditions of the Placing Agreement dated 11 February 2010. A total of 220,000,000 Placing Shares had been successfully placed to not less than six Placees, who and whose ultimate beneficial owners were Independent Third Parties, at the Placing Price of HK\$1.02 per Placing Share.

Reference is made to the announcement (the “**Announcement**”) of PetroAsian Energy Holdings Limited (the “**Company**”) dated 11 February 2010 in relation to, inter alia, the Placing. Unless otherwise defined, capitalized terms used herein shall have the same meanings as defined in the Announcement.

COMPLETION OF THE PLACING

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CHANGE IN SHAREHOLDING STRUCTURES OF THE COMPANY

The shareholding structures of the Company (i) immediately before completion of the Placing; and (ii) immediately after completion of the Placing are as follows:–

Shareholders	As at the date of this announcement and before completion of the Placing		Immediately after the allotment and issue of the Placing Shares	
	<i>No. of Shares</i>	<i>Approximate Percentage</i>	<i>No. of Shares</i>	<i>Approximate percentage</i>
Mr. Poon Sum (<i>Note 1</i>)	122,770,453	3.78%	122,770,453	3.54%
Mr. Poon Sau Tin (<i>Note 2</i>)	46,224,453	1.42%	46,224,453	1.33%
Ever Source (<i>Note 3</i>)	377,794,558	11.63%	377,794,558	10.89%
Mr. Poon Wai Kong (<i>Note 4</i>)	2,300,000	0.07%	2,300,000	0.07%
Mr. Wong Kwok Leung (<i>Note 5</i>)	16,285	–%	16,285	–%
Mr. Chan Shu Kin	61,500	–%	61,500	–%
Mr. Cheung Kwan Hung (<i>Note 6</i>)	1,454,000	0.04%	1,454,000	0.04%
Mr. Chan Kam Ching, Paul (<i>Note 7</i>)	4,000	–%	4,000	–%
<i>Public Shareholders</i>				
Placees	–	–%	220,000,000	6.34%
Other public Shareholders	<u>2,698,785,038</u>	<u>83.06%</u>	<u>2,698,785,038</u>	<u>77.79%</u>
Total	<u><u>3,249,410,287</u></u>	<u><u>100.00%</u></u>	<u><u>3,469,410,287</u></u>	<u><u>100.00%</u></u>

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 is also interested in 110,000,000 share options of the Company and warrants of the Company which conferred rights to subscribe for 9,629,537 Shares.
2. Mr. Poon Sau Tin is the elder brother of Mr. Poon Sum.

3. Ever Source Enterprises Limited is also interested in warrants of the Company which conferred rights to subscribe for 31,482,879 Shares. 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.
4. Mr. Poon Wai Kong is an executive Director and as at the date of this announcement he is also interested in 10,000,000 share options of the Company and warrants of the Company which conferred rights to subscribe for 100,000 Shares.
5. Mr. Wong Kwok Leung is an executive Director and as at the date of this announcement he is also interested in 316,000 share options of the Company and warrants of the Company which conferred rights to subscribe for 1,357 Shares.
6. Mr. Cheung Kwan Hung is an independent non-executive Director and as at the date of this announcement he is also interested in warrants of the Company which conferred rights to subscribe for 87,500 Shares.
7. Mr. Chan Kam Ching, Paul is an independent non-executive Director and as at the date of this announcement he is also interested in warrants of the Company which conferred rights to subscribe for 100,000 Shares.

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

Hong Kong, 26 February 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.