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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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ACQUISITION OF 51% OF THE ENTIRE EQUITY INTERESTS IN AN OIL TECHNOLOGY COMPANY

Reference is made to the announcement of the Company dated 30 July 2010 in relation to the Acquisition. Apart from the information which has already announced by the Board in the Announcement, the Board would also like to provide certain additional information in relation to the Agreement in this announcement with the Shareholders and potential investors for reference.

Reference is made to the announcement (the “**Announcement**”) of PetroAsian Energy Holdings Limited (the “**Company**”) dated 30 July 2010 in relation to the Acquisition. Unless otherwise expressly indicated, the capitalised terms used herein shall have the same meaning as those defined in the Announcement.

Apart from the information which has already announced by the Board in the Announcement, the Board would also like to announce that on 2 August 2010, a supplemental agreement has been entered into among Easyrich, Mr. Poon, the Vendor and the Warrantors that instead of transferring the Poon Shares to the Vendor, Mr. Poon shall settle the consideration for the Second Sale Shares in cash upon Completion.

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; and (ii) immediately after Completion and the allotment and issue of the Consideration Shares:

Shareholders	As at the date of this announcement and before Completion		Immediately after Completion and the allotment and issue of the Consideration 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>)	182,770,453	4.96%	182,770,453	4.89%
Mr. Poon Sau Tin (<i>Note 2</i>)	35,334,916	0.96%	35,334,916	0.94%
Ever Source (<i>Note 3</i>)	377,794,558	10.25%	377,794,558	10.09%
Public Shareholders	3,088,646,359	83.83%	3,088,646,359	82.50%
Vendor	Nil	Nil	59,118,571	1.58%
Total	<u>3,684,546,286</u>	<u>100.00%</u>	<u>3,743,664,857</u>	<u>100%</u>

Notes:

1. Mr. Poon Sum is the chairman of the Company and is one of the purchasers under the Agreement.
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.

In addition, the Board wishes to clarify that Mr. Poon Sau Tin, being the elder brother of Mr. Poon, who is legally and beneficially interested in 35,334,916 Shares as at the date of this announcement, and Ever Source, being an associate of Mr. Poon, which is interested in 377,794,558 Shares as at the date hereof, will also abstain from voting at the EGM to be held to approve, inter alia, the Agreement and the transactions contemplated thereunder.

SUSPENSION OF TRADING

Trading in the shares and warrants of the Company on the Stock Exchange has been suspended with effect from 9:30 a.m. on 30 July 2010 and will remain suspended until such time as the Group's audited annual results for the year ended 31 March 2010 are announced and published in accordance with the Listing Rules.

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

Hong Kong, 2 August 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; (ii) three independent non-executive Directors, namely Mr. Chan Kam Ching, Paul, Mr. Chan Shu Kin and Mr. Cheung Kwan Hung.