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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)

CLARIFICATION ANNOUNCEMENT

Reference is made to the announcement (the “**Announcement**”) of PetroAsian Energy Holdings Limited (the “**Company**”) dated 19 October 2010 regarding the top-up placing and subscription of shares of the Company. Definitions and terms used in this announcement, unless the context requires otherwise, shall bear the same meanings as defined in the Announcement.

The Directors noted that the net subscription price per Subscription Share was mistakenly stated in the Announcement. The Board wishes to clarify that the net subscription price per Subscription Share as stated on page 6 of the Announcement should be HK\$0.5125.

It was also noted that the percentage of the shareholding of the Placees and the other public Shareholders immediately after the completion of the Placing and the Subscription were mistakenly stated. The Board wishes to clarify that the table as set out under the section headed “Changes of shareholding Structure” on page 10 of the Announcement should be replaced by the following table:

Name of Shareholders	As at the date of this announcement		Immediately after completion of the Placing but prior to completion of the Subscription		Immediately after completion of the Placing and the Subscription	
	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>
Ever Source (<i>Note 1</i>)	390,262,558	10.463%	–	0.000%	390,262,558	9.450%
The Vendor (<i>Note 2</i>)	182,770,453	4.900%	173,033,011	4.639%	182,770,453	4.425%
Mr. Poon Sau Tin (<i>Note 3</i>)	35,836,453	0.961%	35,836,453	0.961%	35,836,453	0.868%
Directors (other than Mr. Poon Sum)	8,261,785	0.221%	8,261,785	0.221%	8,261,785	0.200%
Public shareholders						
The Placees	–	0.000%	400,000,000	10.724%	400,000,000	9.685%
Other public shareholders	<u>3,112,815,037</u>	<u>83.455%</u>	<u>3,112,815,037</u>	<u>83.455%</u>	<u>3,112,815,037</u>	<u>75.372%</u>
Total	<u><u>3,729,946,286</u></u>	<u><u>100.00%</u></u>	<u><u>3,729,946,286</u></u>	<u><u>100.00%</u></u>	<u><u>4,129,946,286</u></u>	<u><u>100.00%</u></u>

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

Hong Kong, 19 October 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.