

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

UNDERTAKING FOR SUBSCRIBING MT OFFER SHARES UNDER THE MT OPEN OFFER

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

On 4 April 2011 (after trading hours), the board of directors of Mobile Telecom announced, among others, that Mobile Telecom proposed to issue not less than 588,567,428 MT Offer Shares and not more than 592,147,428 MT Offer Shares at the Subscription Price of HK\$0.1 per MT Offer Share under the MT Open Offer. Details of the MT Open Offer have been disclosed in the MT Announcement.

As at the date of this announcement, Mobile Telecom has 588,567,428 MT Shares in issue. China Oil, a wholly-owned subsidiary of the Company, is interested in an aggregate of 177,785,861 MT Shares, representing (i) approximately 30.21% of the issued share capital of Mobile Telecom as at the date hereof; (ii) approximately 15.1% of the issued share capital of Mobile Telecom as enlarged by the allotment and issue of the minimum number new MT Offer Shares upon completion of the MT Open Offer; and approximately 15.06% of the issued share capital of Mobile Telecom as enlarged by the allotment and issue of the maximum number new MT Offer Shares upon completion of the MT Open Offer.

On 4 April 2011 (after trading hours), the Company has given the Undertaking in favour of Mobile Telecom and the Underwriter under the Underwriting Agreement to procure the subscription of the 177,785,861 MT Offer Shares for which China Oil is entitled pursuant to the MT Open Offer. Upon completion of the Undertaking, the Company will be interested in 355,571,722 MT Shares, representing a maximum of approximately 30.21% (assuming the minimum number of the MT Offer Shares are issued) and a minimum of approximately 30.11% (assuming the maximum number of the MT Offer Shares are issued).

Shareholders and potential investors should note that the MT Open Offer is conditional upon the underwriting agreement in relation to the MT Open Offer having become unconditional and the underwriting agreement in relation to the MT Open Offer has not been terminated in accordance with the terms thereof. Accordingly, the subscription as contemplated under the Undertaking may or may not proceed.

Shareholders and potential investors should exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

THE UNDERTAKING

On 4 April 2011 (after trading hours), the board of directors of Mobile Telecom announced, among others, that Mobile Telecom proposed to issue not less than 588,567,428 MT Offer Shares and not more than 592,147,428 MT Offer Shares at the Subscription Price of HK\$0.1 per MT Offer Share under the MT Open Offer. Details of the MT Open Offer have been disclosed in the MT Announcement.

As at the date of this announcement, Mobile Telecom has 588,567,428 MT Shares in issue. China Oil, a wholly-owned subsidiary of the Company, is interested in an aggregate of 177,785,861 MT Shares, representing (i) approximately 30.21% of the issued share capital of Mobile Telecom as at the date hereof; (ii) approximately 15.1% of the issued share capital of Mobile Telecom as enlarged by the allotment and issue of the minimum number new MT Offer Shares upon completion of the MT Open Offer; and approximately 15.06% of the issued share capital of Mobile Telecom as enlarged by the allotment and issue of the maximum number new MT Offer Shares upon completion of the MT Open Offer.

On 4 April 2011 (after trading hours), the Company has given the Undertaking in favour of Mobile Telecom and the Underwriter under the Underwriting Agreement to procure the subscription of the 177,785,861 MT Offer Shares for which for which China Oil is entitled pursuant to the MT Open Offer.

Upon completion of the Undertaking, the Company will be interested in 355,571,722 MT Shares, representing a maximum of approximately 30.21% (assuming the minimum number of the MT Offer Shares are issued) and a minimum of approximately 30.11% (assuming the maximum number of the MT Offer Shares are issued).

The amount involved in the subscription of MT Offer Shares as contemplated under the Undertaking of HK\$17,778,586, which is arrived at based on the Subscription Price and the number of the MT Offer Shares to be subscribed by China Oil pursuant to the Undertaking, is payable on application of the MT Offer Shares by the latest time for acceptance and payment for the MT Offer Shares (i.e. 1 June 2011) according to the expected timetable of the MT Open Offer as stated in the MT Announcement.

Based on the theoretical ex-entitlement price of approximately HK\$0.183 per MT Share calculated by reference to the Subscription Price and the closing price of the MT Share of HK\$0.265 per MT Share as quoted on the Stock Exchange on the Last Trading Day, the market value of the MT Offer Shares to be subscribed by China Oil under the Undertaking was approximately HK\$32.53 million.

The subscription price of the MT Offer Shares as contemplated under the Undertaking will be financed by the Group's internal resources.

INFORMATION ON MOBILE TELECOM

Mobile Telecom is an investment holding company and its subsidiaries are principally engaged in development, provision and sales of mobile internet communication, telecommunications and related services.

According to the audited consolidated financial statements of Mobile Telecom, the turnover, net loss before taxation and net loss after taxation for the financial year ended 31 March 2010 was approximately HK\$18,134,000, HK\$671,000 and HK\$679,000 respectively. According to the audited consolidated financial statements of Mobile Telecom, the turnover, net profit from operation and net profit after taxation for the financial year ended 31 March 2009 was approximately HK\$20,321,000, HK\$754,000 and HK\$748,000 respectively.

According to the unaudited consolidated financial statements of Mobile Telecom for the six months ended 30 September 2010, the unaudited total assets of Mobile Telecom as at 30 September 2010 were approximately HK\$30,656,000.

REASONS FOR THE UNDERTAKING

The Company provided the Undertaking in order to maintain its existing level of shareholding interest in Mobile Telecom and facilitate the MT Open Offer for raising additional capital to strengthen the capital base of Mobile Telecom. The Directors consider that the terms of the Undertaking are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GENERAL

The Group is principally engaged in manufacture and sale of paints, blended solvents and plastic colorants, trading of chemical materials, provision of painting service, property investment and exploitation and sale of crude oil.

WARNING OF THE RISK OF DEALING IN THE SHARES

Shareholders and potential investors should note that the MT Open Offer is conditional upon the underwriting agreement in relation to the MT Open Offer having become unconditional and the underwriting agreement in relation to the MT Open Offer has not been terminated in accordance with the terms thereof. Accordingly, the subscription as contemplated under the Undertaking may or may not proceed.

Shareholders and potential investors should exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

In this announcement, unless the context otherwise required, the following terms and expressions shall have the following meanings when used herein.

“Board”	the board of Directors
“China Oil”	China Oil Resources Group Limited, a company incorporated in the British Virgin Islands and the entire issued share capital of which is wholly and beneficially owned by the Company
“Company”	PetroAsian Energy Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares are listed on the main board of the Stock Exchange
“Directors”	the directors of the Company
“GEM”	Growth Enterprise Market of the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	4 April 2011, being the last trading day for the MT Shares before the date of the MT Announcement

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MT Announcement”	the announcement dated 4 April 2011 issued by Mobile Telecom in respect of, among others, the MT Open Offer
“MT Offer Share(s)”	not less than 588,567,428 MT Offer Shares and not more than 592,147,428 MT Offer Shares to be allotted and issued pursuant to the MT Open Offer
“MT Open Offer”	the proposed issue of MT Offer Shares by way of open offer to the qualifying shareholders of Mobile Telecom on the basis of one MT Offer Share for every one MT Share held on the Record Date
“MT Share(s)”	the ordinary share(s) of US\$0.01 each in the share capital of Mobile Telecom
“Mobile Telecom”	Mobile Telecom Network (Holdings) Limited, a company incorporated in the Cayman Islands and the issued MT Shares are listed on GEM
“Record Date”	the date by reference to which entitlements to MT Open Offer will be determined
“Share(s)”	ordinary shares of HK\$0.01 each in issued share capital of the Company
“Shareholder(s)”	the holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.1 per MT Offer Share

“Undertaking”	the irrevocable undertaking given by the Company in favour of Mobile Telecom and the Underwriter under the Underwriting Agreement to procure the subscription of the 177,785,861 MT Offer Shares for which for which China Oil is entitled pursuant to the MT Open Offer
“Underwriter”	Ever-Long Securities Company Limited, a licensed corporation to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance in Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

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

Hong Kong, 4 April 2011

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.