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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)

SECOND RENEWAL OF THE KSAR HADADA PERMIT IN TUNISIA

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

Reference is made to the announcements (together, the "Announcements") of the Company dated 8 June 2009, 15 June 2009, 28 June 2010 and 27 August 2010. Definitions used in the Announcements shall, unless the context otherwise requires, have the same meanings when used in this announcement.

The Board is pleased to announce that a telefax has been received from Le Directeur General de l'Energie (DGE) confirming that a favorable opinion has been granted for the second renewal of the Ksar Hadada Permit for a period of 3 years from 20 April 2011 till 19 April 2014.

The Board has also been informed that the previous operator of the Permit has withdrawn and intends to assign its participating interest in the Permit to the remaining members of the contracting group. The Company is desirous to acquire certain participating interest from Petroceltic Ksar Hadada Limited. However, no binding agreement as regards such acquisition has been entered into as at the date hereof. Further announcement will be made by the Company as and when appropriate.

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

The Board is pleased to announce that the Ksar Hadada Permit has now been successfully renewed for the second time with effect from 20 April 2011. A telefax confirmation in French (with English translation thereof) from DGE was received by the Company today whereby DGE has granted a favorable opinion for the second renewal of the Ksar Hadada Permit for a period of three years starting from 20 April 2011 till 19 April 2014. Formal gazetting of the renewal will be done by the relevant governmental authorities a few months later as per government protocol.

Subsequent to the second renewal of the Permit, the previous operator of the Permit (namely Petroceltic Ksar Hadada Limited) has withdrawn therefrom and intends to assign its participating interests to the remaining members of the contracting group, including both PetroAsian Energy (Tunisia) Limited and Independent Resources (Ksar Hadada) Limited.

The Board has also been informed that the previous operator of the Permit has withdrawn and intends to assign its participating interest in the Permit to the remaining members of the contracting group. The Company is desirous to acquire certain participating interest from Petroceltic Ksar Hadada Limited. However, no binding agreement as regards such acquisition has been entered into as at the date hereof. Further announcement will be made by the Company as and when appropriate.

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

Hong Kong, 8 June 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.