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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)

**DELAY IN DESPATCH OF CIRCULAR REGARDING THE
DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO THE
ACQUISITION OF 51% OF THE ENTIRE EQUITY INTEREST IN
AN OIL TECHNOLOGY COMPANY**

Reference is made to the announcements of the Company dated 30 July 2010, 2 August 2010, 19 August 2010, 6 September 2010, 30 September 2010, 31 December 2010, 28 February 2011 and 29 April 2011 in relation to, among other matters, the Acquisition.

The Board announces that as additional time is required to prepare and finalise certain information to be included in the Circular, including but not limited to the letter from the independent financial advisers and the business valuation report on the Target, the despatch date of the Circular will be postponed to a date on or before 31 August 2011.

Reference is made to the announcements (the “**Announcements**”) of the Company dated 30 July 2010, 2 August 2010, 19 August 2010, 6 September 2010, 30 September 2010, 31 December 2010, 28 February 2011 and 29 April 2011 in relation to, among other matters, the Acquisition. Terms used herein shall have the same meanings as defined in the Announcements unless the context requires otherwise.

DELAY IN DESPATCH OF CIRCULAR

This announcement is made pursuant to Rule 14A.47A of the Listing Rules.

As stated in the Announcements, the Circular containing, amongst other things, details of the Acquisition, the recommendations of the Independent Board Committee, the letter of advice from the independent financial adviser to the Independent Board Committee and the notice of the EGM will be despatched to the Shareholders on or before 31 July 2011. As additional time is required to prepare and finalise certain information to be included in the Circular, including but not limited to the letter from the independent financial advisers and the business valuation report on the Target, the despatch date of the Circular will be further postponed to a date on or before 31 August 2011.

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

Hong Kong, 29 July 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.