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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)

EXPIRY OF SUBSCRIPTION RIGHTS ATTACHING TO THE 2008 WARRANTS

The subscription rights attaching to the 2008 Warrants (Warrant Code: 344) which have not been exercised will expire after 4:00 p.m. on Friday, 14 October 2011 (being the business day immediately preceding the last day of the subscription period of which 16 October 2011 is a public holiday).

The last trading day of the 2008 Warrants on the Stock Exchange is Tuesday, 11 October 2011. The registered holders of the 2008 Warrants who wish to exercise the subscription rights attaching to the 2008 Warrants must lodge with the Registrars the relevant exercise documents at the address set out below by not later than 4:00 p.m. on Friday, 14 October 2011.

Application has been made for the withdrawal of the listing of the 2008 Warrants on the Stock Exchange with effect from the close of business on Friday, 14 October 2011.

This announcement is made pursuant to Rule 15A.82 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The board of directors (the “Board”) of PetroAsian Energy Holdings Limited (the “Company”) wishes to remind the holders of the existing outstanding 2008 listed warrants (Warrant Code: 344) (the “2008 Warrants”) of the Company, carrying rights (the “Subscription Rights”) to subscribe in cash for new shares of HK\$0.01 each (the “Shares”) in the capital of the Company at an initial subscription price of HK\$0.48 per Share (subject to adjustment), that in accordance with the terms and conditions of the instrument dated 17 October 2008 constituting the 2008 Warrants, the Subscription Rights attaching to the 2008 Warrants will expire after 4:00 p.m. on Friday, 14 October 2011 (being the business day immediately preceding the last day of the subscription period of which 16 October 2011 is a public holiday). Thereafter, any Subscription Rights which have not been exercised by 4:00 p.m. on Friday, 14 October 2011 will lapse and the 2008 Warrant certificates will cease to be valid for any purpose.

In respect of the expiry of the Subscription Rights attaching to the 2008 Warrants, the Company has made the following arrangements regarding the dealings and transfers of the 2008 Warrants:

1. **The last trading day of the 2008 Warrants on the Stock Exchange is Tuesday, 11 October 2011** and trading of the 2008 Warrants on the Stock Exchange will close after 4:00 p.m. on Tuesday, 11 October 2011 and **listing of the 2008 Warrants will be withdrawn from the Stock Exchange with effect from the close of business at 4:00 p.m. on Friday, 14 October 2011.**

2. **The registered holders of the 2008 Warrants who wish to exercise in whole or in part the Subscription Rights must lodge with the branch share and warrant registrars of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited (the “Registrars”) at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong the following documents by not later than 4:00 p.m. on Friday, 14 October 2011:**
 - (a) the relevant certificates of the 2008 Warrants;
 - (b) the duly completed and signed subscription forms as attached to the back of the relevant certificates; and
 - (c) remittances for the relevant subscription moneys.

3. **Persons who purchased the 2008 Warrants but have not yet registered as holders and wish to exercise the Subscription Rights must lodge with the Registrars at the above address the following documents by not later than 4:00 p.m. on Friday, 14 October 2011:**
 - (a) the relevant duly executed and stamped instrument of transfer and/or other documents of title;
 - (b) the relevant certificates of the 2008 Warrants;
 - (c) the duly completed and signed subscription forms as attached to the back of the relevant certificates; and
 - (d) remittances for the relevant subscription moneys.
4. Subscription forms lodged with the Registrars later than 4:00 p.m. on Friday, 14 October 2011 will not be regarded as valid and will not be accepted.
5. New Shares falling to be issued upon exercise of the Subscription Rights will be allotted not later than 10 business days after the relevant date of subscription and will rank pari passu in all respects with the then existing issued Shares.
6. Application to the Stock Exchange has been made for the withdrawal of the listing of the 2008 Warrants from the Stock Exchange with effect from the close of business at 4:00 p.m. on Friday, 14 October 2011.

The closing prices of the Shares and the 2008 Warrants on the Stock Exchange on 1 September 2011 (being the last trading day of the Stock Exchange immediately prior to the date of this announcement) are HK\$0.185 and HK\$0.011 respectively.

A circular relating to the expiry of the 2008 Warrants will be dispatched to the holders of the 2008 Warrants and, for information only, the shareholders of the Company as soon as practicable.

The holders of the 2008 Warrants who are in any doubt as to their position or the action to be taken should consult their stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

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

Hong Kong, 2 September 2011

As at the date of this announcement, the Board consists of six Directors, three of which are executive Directors (namely Mr. Poon Sum (Chairman), Mr. Wong Kwok Leung and Mr. Poon Wai Kong) and three of which are independent non-executive Directors (namely Mr. Chan Shu Kin, Mr. Chan Kam Ching, Paul and Mr. Cheung Kwan Hung).