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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)**

### **ANNOUNCEMENT OF THE DRILLING RESULTS OF THE TWO WELLS IN THE FU 718 OILFIELD IN QIQIHAR, THE PRC**

This announcement is made by PetroAsian Energy Holdings Limited (“the Company”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited to keep the shareholders and potential investors of the Company informed of the latest operational activities of the Company.

The Company is pleased to announce the successful drilling results of two horizontal wells in the Fu 718 area of the Fulaerjiqu oilfield in the Qiqihar City of the Heilongjiang Province, the People’s Republic of China.

The first horizontal well (namely TH4) which was spudded on 9 September 2011 with a total measured depth of 935 meters, encountered 98.31 meters of horizontal net oil pay, with an average pay thickness of 5.96 meters.

The second horizontal well (namely TH5) which was spudded on 23 September 2011, with a total measured depth of 900 meters, encountered 121 meters of horizontal net oil pay, with an average pay thickness of 6.67 meters.

PetroAsian's technical team designed the wells and Great Wall Drilling Downhole Operating Company, a subsidiary of China National Petroleum Corporation, was the contractor to carry out the drilling program. The wells were drilled with state-of-the-art US patented LWD (Logging While Drilling) technology and were also completed with downhole laser cut slit production liners for sand control purposes in order to achieve maximum oil outflow. Horizontal oil pumps will also be installed to increase production efficiency.

Despite difficult geological challenges, the successful drilling and the discovery of oil in these two wells have proved that the Fu 718 area is prosperous and deserves further exploitation. The Company now has a total of nine horizontal wells in the Fulaerjiqu oilfield.

**The technical team of the Company has reviewed the technical data as contained in the current announcement.**

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

Hong Kong, 3 October 2011

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