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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)

**(1) COMPLETION OF THE MAJOR AND CONNECTED TRANSACTION
INVOLVING ACQUISITION OF 49% INTERESTS IN
NORTHEAST OIL (CHINA) DEVELOPMENT COMPANY LIMITED
WITH ISSUE OF CONSIDERATION SHARES;
AND
(2) COMPLETION OF PLACING OF NEW SHARES
UNDER GENERAL MANDATE**

COMPLETION OF THE ACQUISITION

The Board is pleased to announce that with all the conditions of the Agreement dated 28 October 2009 having been fulfilled, the Completion has been taken place on 13 January 2010. 87,829,516 First Consideration Shares has been allotted and issued to Well Lead Group Limited (the "Well Lead") on 13 January 2010 in accordance with the terms and conditions of the Agreement.

COMPLETION OF PLACING

The Board also announces that the Placing was completed on 13 January 2010 in accordance with the terms and conditions of the Placing Agreement dated 30 December 2009. A total of 220,000,000 Placing Shares had been successfully placed to not less than six Placees, who and whose ultimate beneficial owners were Independent Third Parties, at the Placing Price of HK\$0.51 per Placing Share.

Reference is made to the announcements (the "**Announcements**") of PetroAsian Energy Holdings Limited (the "**Company**") dated 30 October 2009 and 30 December 2009 in relation to, inter alia, the Acquisition and the Placing respectively. Unless otherwise defined, capitalized terms used herein shall have the same meanings as defined in the Announcements.

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CHANGE IN SHAREHOLDING STRUCTURES OF THE COMPANY

The shareholding structures of the Company (i) immediately before completion of the Acquisition and the Placing; and (ii) immediately after completion of the Acquisition and the Placing are as follows:

Shareholders	As at the date of this announcement and before completion of the Acquisition and the Placing		Immediately after Completion and the allotment and issue of the First Consideration Shares and the Placing Shares	
	No. of Shares	Approximate Percentage	No. of Shares	Approximate percentage
Mr. Poon Sum (<i>Note 1</i>)	122,770,453	4.51%	122,770,453	4.05%
Mr. Poon Sau Tin (<i>Note 2</i>)	46,224,453	1.70%	46,224,453	1.52%
Ever Source (<i>Note 3</i>)	377,794,558	13.87%	377,794,558	12.46%
Mr. Poon Wai Kong (<i>Note 4</i>)	2,300,000	0.08%	2,300,000	0.08%
Mr. Wong Kwok Leung (<i>Note 5</i>)	16,285	0.00%	16,285	0.00%
Mr. Chan Shu Kin (<i>Note 6</i>)	2,974,000	0.11%	2,974,000	0.10%
Mr. Cheung Kwan Hung (<i>Note 7</i>)	530,000	0.02%	530,000	0.02%
Mr. Chan Kam Ching, Paul (<i>Note 8</i>)	4,000	0.00%	4,000	0.00%
Public Shareholders				
Well Lead	—	—	87,829,516	2.90%
Placees	75,806,000	2.78%	295,806,000	9.75%
Other public Shareholders	<u>2,096,235,022</u>	<u>76.93%</u>	<u>2,096,235,022</u>	<u>69.12%</u>
Total	<u>2,724,654,771</u>	<u>100.00%</u>	<u>3,032,484,287</u>	<u>100.00%</u>

- Mr. Poon Sum is the chairman of the Company and is the brother of Mr. Poon Sau Tin. As at the date of the announcement, Mr. Poon Sum is also interested in 110,000,000 share options of the Company and warrants of the Company which conferred rights to subscribe for 9,629,537 Shares.
- Mr. Poon Sau Tin is the elder brother of Mr. Poon Sum.
- Ever Source Enterprises Limited is also interested in warrants of the Company which conferred rights to subscribe for 31,482,879 Shares. The issued share capital of Ever Source Enterprises Limited is beneficially owned as to 50% by Time Concord Limited, a company incorporated in the British Virgin Islands and indirectly owned by a discretionary trust, the beneficiaries of which are family members of Mr. Poon Sum, and as to 50% by Guidance Investments Limited, a company incorporated in the British Virgin Islands and indirectly owned by a discretionary trust, the beneficiaries of which are family members of Mr. Poon Sau Tin.
- Mr. Poon Wai Kong is an executive Director and as at the date of this announcement he is also interested in 10,000,000 share options of the Company and warrants of the Company which conferred rights to subscribe for 100,000 Shares.
- Mr. Wong Kwok Leung is an executive Director and as at the date of this announcement he is also interested in 516,000 share options of the Company and warrants of the Company which conferred rights to subscribe for 1,357 Shares.

6. Mr. Chan Shu Kin is an independent non-executive Director and as at the date of this announcement he is also interested in warrants of the Company which conferred rights to subscribe for 87,500 Shares.
7. Mr. Cheung Kwan Hung is an independent non-executive Director and as at the date of this announcement he is also interested in 1,924,000 share options of the Company and warrants of the Company which conferred rights to subscribe for 87,500 Shares.
8. Mr. Chan Kam Ching, Paul is an independent non-executive Director and as at the date of this announcement he is also interested in warrants of the Company which conferred rights to subscribe for 100,000 Shares.

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

Hong Kong, 13 January 2010

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.