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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)**

**UNUSUAL SHARE PRICE AND TRADING VOLUME MOVEMENTS  
AND RESUMPTION OF TRADING**

This statement is made at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) in relation to the unusual price and trading volume movements of the shares in PetroAsian Energy Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”).

The board of directors (the “**Board**”) of the Company has noted today’s increase in the price and trading volume of the shares in the Company and wishes to state that it is not aware of any reasons for such share price and trading volume movements.

The Board wishes to announce that the Group is in the process of negotiating with a party in relation to the proposed formation of a joint venture entity (the “**JV**”) which will explore, identify and invest in various assets and opportunities in the oil and gas industry and the Company may conduct fund raising activities to raise fund from that party for the investment, operation and management of the JV and its general corporate purposes (the “**Project**”). The proposed formation of a JV may or may not proceed and no formal agreement in relation to the Project has been entered into by the Group as at the date of this announcement. If the Group proceeds with the Project, further announcement in this regard will be made by the Company as and when appropriate in accordance with the Listing Rules.

Save as disclosed above, the Board confirms that there are no other negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Rule 13.23 of the Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

Made by the order of the Board, the directors of which individually and jointly accept responsibility for the accuracy of this announcement.

Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities in the Company.

At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended with effect from 1:30 p.m. on 24 October 2011 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 25 October 2011.

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

Hong Kong, 24 October 2011

*As at the date of this announcement, the Board comprises (i) three executive directors, namely Mr. Poon Sum (Chairman), Mr. Wong Kwok Leung and Mr. Poon Wai Kong; and (ii) three independent non-executive directors, namely Mr. Chan Shu Kin, Mr. Chan Kam Ching, Paul and Mr. Cheung Kwan Hung.*