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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in PetroAsian Energy Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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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)**

**PROPOSALS FOR GENERAL MANDATES TO REPURCHASE  
SHARES AND TO ISSUE SHARES AND  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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The notice convening the annual general meeting of PetroAsian Energy Holdings Limited to be held at Imperial Room III, Mezzanine Floor, Towers Wing, The Royal Pacific Hotel & Towers, China Hong Kong City, 33 Canton Road, Tsimshatsui, Kowloon, Hong Kong on Monday, 25 August 2014 at 11:00 a.m. is set out on pages 13 to 16 of this circular. A form of proxy for use at the annual general meeting is enclosed with this circular. If you do not propose to attend the annual general meeting and wish to appoint a proxy/proxies to attend and vote on your behalf, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof if you so desire and in such event, the instructions appointing a proxy should be deemed to be revoked.

Hong Kong, 25 July 2014

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## DEFINITIONS

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*In this circular, the following expressions have the following meanings unless the context requires otherwise:*

“2012 Non-listed Warrants”	non-listed warrants issued by the Company on 29 November 2012 each entitle the holder thereof to subscribe for one new Share at the exercise price of HK\$0.18 per Share at any time during a period of thirty-three months commencing from the date falling three months after the date of issue of the non-listed warrants
“2013 Non-listed Warrants”	non-listed warrants issued by the Company on 25 October 2013 each entitle the holder thereof to subscribe for one new Share at the exercise price of HK\$0.1526 per Share at any time during a period of thirty-six months commencing from the date of issue of the non-listed warrants
“Annual General Meeting”	the annual general meeting of the Company to be held at Imperial Room III, Mezzanine Floor, Towers Wing, The Royal Pacific Hotel & Towers, China Hong Kong City, 33 Canton Road, Tsimshatsui, Kowloon, Hong Kong on Monday, 25 August 2014 at 11:00 a.m.
“Articles of Association”	the articles of association of the Company as amended, supplemented or modified from time to time
“Board”	the board of Directors
“Company”	PetroAsian Energy Holdings Limited, a company incorporated in the Cayman Islands with limited liability, with its Shares listed on the main board of the Stock Exchange
“Companies Law”	Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Directors”	the directors of the Company for the time being
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of The People’s Republic of China
“Latest Practicable Date”	18 July 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular

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## DEFINITIONS

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“Listing Rules”	the Rules Governing the Listing of Securities on Stock Exchange
“Ordinary Resolution(s)”	the proposed ordinary resolution(s) as referred to in the notice of the Annual General Meeting
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors to exercise the powers of the Company to repurchase during the period as set out in the Repurchase Resolution, Shares up to a maximum of 10% of the issued share capital of the Company
“Repurchase Resolution”	the Ordinary Resolution no. 4
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time)
“Share Issue Mandate”	a general mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue and deal with Shares during the period as set out in the Ordinary Resolution no. 5 up to a maximum of 20% of the issued share capital of the Company as at the date of passing of the resolution approving the Share Issue Mandate
“Share Buy-backs Code”	the Hong Kong Code on Share Buy-backs
“Share Repurchase Rules”	the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listing on Stock Exchange of their own securities on Stock Exchange
“Shareholder(s)”	registered holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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LETTER FROM THE CHAIRMAN

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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)**

*As at the date of this circular, the Directors are as follows:*

*Executive Directors:*

Mr. Poon Sum (*Honorary Chairman*)

Mr. Wong Kwok Leung

Mr. Poon Wai Kong

*Non-executive Director:*

Mr. Zaid Latif

*Independent Non-executive Directors:*

Mr. Chan Shu Kin

Mr. Chan Kam Ching, Paul

Mr. Cheung Kwan Hung

*Registered Office:*

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Head Office and*

*Principal Place of Business:*

Suite 3601

Tower 6, The Gateway

Harbour City

Tsim Sha Tsui

Kowloon

Hong Kong

Hong Kong, 25 July 2014

*To the Shareholders and, for information only,  
the warrant holders of the Company*

Dear Sir or Madam,

**PROPOSALS FOR GENERAL MANDATES TO REPURCHASE  
SHARES AND TO ISSUE SHARES AND  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide you with information regarding the Repurchase Mandate, the Share Issue Mandate, the proposed extension of the Share Issue Mandate and the proposed re-election of retiring Directors, and to seek your approval of the resolutions relating to these matters at the Annual General Meeting.

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## LETTER FROM THE CHAIRMAN

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### 2. GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 19 September 2013, a general mandate was given by the Company to the Directors to exercise the powers of the Company to repurchase shares. Such general mandate will lapse at the conclusion of the Annual General Meeting.

The Ordinary Resolution no. 4 will be proposed at the Annual General Meeting to grant to the Directors the Repurchase Mandate, details of which are set out in the Repurchase Resolution.

As at the Latest Practicable Date, the issued share capital of the Company comprised 4,600,623,821 Shares. At the same time, there were outstanding non-listed warrants in an aggregate principal amount of HK\$119,462,000 conferring rights to subscribe for 720,000,000 new Shares. Assuming that there is no change in the issued share capital, no 2012 Non-Listed Warrants and 2013 Non-Listed Warrants are exercised between the period from the Latest Practicable Date and the date of passing the Repurchase Resolution, the Company would be allowed to repurchase a maximum of 460,062,382 Shares pursuant to the Repurchase Mandate as at the date of passing the Repurchase Resolution, representing not more than 10% of the issued share capital of the Company as at the Latest Practicable Date.

An explanatory statement, as required under the Share Repurchase Rules to provide the requisite information of the Repurchase Mandate is set out in Appendix I to this circular.

### 3. GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on 19 September 2013, a general mandate was given by the Company to the Directors to exercise the powers of the Company to issue Shares. Such general mandate will lapse at the Annual General Meeting.

It will be proposed at the Annual General Meeting the following two Ordinary Resolutions respectively: (i) granting to the Directors the Share Issue Mandate (i.e. not exceeding 920,124,764 Shares, representing not more than 20% of the issued share capital of the Company of 4,600,623,821 Shares as at the Latest Practicable Date and assuming that such issued share capital remains the same at the date of passing the resolution); and (ii) authorizing an extension of the limit of the Share Issue Mandate so granted by adding to it the number of Shares repurchased by the Company under the Repurchase Mandate, if granted.

Details of the Share Issue Mandate and the extension of the Share Issue Mandate are set out in the Ordinary Resolutions nos. 5 and 6 respectively.

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## LETTER FROM THE CHAIRMAN

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### 4. RE-ELECTION OF RETIRING DIRECTORS

As at the Latest Practicable Date, the executive Directors are Mr. Poon Sum, Mr. Wong Kwok Leung and Mr. Poon Wai Kong, the non-executive Director is Mr. Zaid Latif and the independent non-executive Directors are Mr. Chan Shu Kin, Mr. Chan Kam Ching, Paul and Mr. Cheung Kwan Hung.

Pursuant to Article 87(1) of the Articles of Association, Mr. Wong Kwok Leung, Mr. Chan Shu Kin and Mr. Cheung Kwan Hung will retire from office by rotation at the Annual General Meeting and, being eligible, offer themselves for re-election.

Each of Mr. Chan Shu Kin and Mr. Cheung Kwan Hung has served as independent non-executive Director more than 9 years and re-election of each of them will be subject to a separate resolution to be approved by the Shareholders. As independent non-executive Directors with in-depth understanding of the Company's operations and business, Mr. Chan and Mr. Cheung have expressed objective views and given independent guidance to the Company over the years, and they continue demonstrating a firm commitment to their role. The Board considers that the long service of Mr. Chan and Mr. Cheung would not affect their exercise of independent judgment and are satisfied that Mr. Chan and Mr. Cheung have the required character, integrity and experience to continue fulfilling the role of independent non-executive Directors. The Board also considers the re-election of Mr. Chan and Mr. Cheung as independent non-executive Directors is in the best interest of the Company and Shareholders as a whole.

Details of the Directors proposed to be re-elected at the Annual General Meeting are set out in Appendix II to this circular.

### 5. ANNUAL GENERAL MEETING

At the Annual General Meeting, resolutions will be proposed to the Shareholders in respect of ordinary businesses to be considered at the Annual General Meeting, including the Repurchase Mandate, the Share Issue Mandate, the extension of the Share Issue Mandate and the re-election of retiring Directors. The notice of Annual General Meeting is set out on pages 13 to 16 of this circular.

### 6. ACTION TO BE TAKEN

A form of proxy for use at the Annual General Meeting is enclosed with this circular. If you do not propose to attend the Annual General Meeting and wish to appoint a proxy/proxies to attend and vote on your behalf, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjourned meeting if you so desire and in such event, the instructions appointing a proxy should be deemed to be revoked.

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## LETTER FROM THE CHAIRMAN

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### 7. VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the Annual General Meeting will be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

### 8. RECOMMENDATIONS

The Directors consider that the Repurchase Mandate, the Share Issue Mandate, the proposed extension of the Share Issue Mandate and the proposed re-election of the retiring Directors are all in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of the resolutions to be proposed at the Annual General Meeting to give effect to them.

Yours faithfully,  
For and on behalf of the Board of  
**PETROASIAN ENERGY HOLDINGS LIMITED**  
**POON Sum**  
*Honorary Chairman*



*This Appendix serves as an explanatory statement, as required by Rule 10.06(1)(b) of the Listing Rules, to provide requisite information to Shareholders for their consideration of the proposal to permit the repurchase of Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing of the Repurchase Resolution. For the purpose of this Appendix, the term “shares” shall be as defined in the Share Buy-backs Code to mean shares of all classes and securities which carry a right to subscribe or purchase shares.*

## **1. LISTING RULES**

The Listing Rules permit companies with a primary listing on Stock Exchange to repurchase their fully-paid shares on Stock Exchange subject to certain restrictions, the most important of which are summarised below:–

### **(a) Source of funds**

Repurchases must be made out of funds which are legally available for such purpose in accordance with the company’s constitutional documents and the laws of the jurisdiction in which the company is incorporated or otherwise established.

### **(b) Maximum number of shares to be repurchased**

The shares proposed to be repurchased by a company must be fully paid up. A maximum of 10% of the issued share capital of a company as at the date of the passing of the relevant resolution approving the repurchase mandate may be repurchased on Stock Exchange.

### **(c) Shareholders’ approval**

The Listing Rules provide that all proposed on-market repurchases of shares by a company with its primary listing on Stock Exchange must be approved in advance by an ordinary resolution, either by way of a specific approval in relation to specific transactions or by a general mandate to the directors of the company to make such repurchases.

## **2. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 4,600,623,821 Shares. At the same time, there were outstanding 2012 Non-listed Warrants carrying subscription rights up to HK\$63,000,000 in aggregate, equivalent to the aggregate subscription price for a total of 350,000,000 Shares on the basis of the subscription price of HK\$0.18 per Share and outstanding 2013 Non-listed Warrants carrying subscription rights up to HK\$56,462,000 in aggregate, equivalent to the aggregate subscription price for a total of 370,000,000 Shares on the basis of the subscription price of HK\$0.1526 per Share.

Subject to the passing of the Ordinary Resolution no. 4 and on the basis that no further Shares are issued or repurchased and no non-listed warrants are exercised prior to the Annual General Meeting, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 460,062,382 Shares.

### **3. REASONS FOR REPURCHASE**

The Directors believe that it is in the best interest of the Company and its Shareholders to have a general authority from Shareholders to enable the Directors to repurchase Shares in the market. Repurchases of Shares will only be made when the Directors believe that such repurchases will benefit the Company and its Shareholders. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net assets value of the Company and/or its earnings per Share.

### **4. FUNDING OF REPURCHASE**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association, the Listing Rules and the applicable laws of the Cayman Islands. Repurchases must be paid out of funds legally available for such purpose in accordance with the Articles of Association and the laws of the Cayman Islands. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. Any repurchase by the Company may be made out of the profits of the Company or out of a fresh issue of shares made for the purpose of the repurchase or, if authorized by its Articles of Association and subject to the Companies Law, out of capital and, in case of any premium payable on the repurchase, out of the profits of the Company or from sums standing to the credit of the share premium account of the Company, or if authorized by the Articles of Association and subject to the Companies Law, out of capital.

### **5. IMPACT OF REPURCHASE**

There might be material adverse impact on the working capital or gearing levels of the Company (as compared with the position disclosed in the audited accounts for the year ended 31 March 2014 contained in the 2013/2014 annual report of the Company) in the event that the Repurchase Mandate was to be exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

**6. SHARES PRICES**

The highest and lowest prices at which the Shares have traded on Stock Exchange during each of the previous twelve months before the Latest Practicable Date were as follows:-

	Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2013</b>		
July	0.165	0.145
August	0.168	0.136
September	0.163	0.146
October	0.168	0.149
November	0.163	0.149
December	0.158	0.141
<b>2014</b>		
January	0.147	0.115
February	0.144	0.118
March	0.145	0.119
April	0.130	0.114
May	0.124	0.115
June	0.152	0.118
July (up to the Latest Practicable Date)	0.151	0.137

**7. UNDERTAKINGS AND DIRECTORS' DEALINGS AND CONNECTED PERSONS**

The Directors have undertaken to Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases of Shares pursuant to the Repurchase Resolution and in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, their associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company under the Repurchase Mandate if the same is approved by the Shareholders.

No connected persons (as defined in the Listing Rules) of the Company have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

**8. TAKEOVERS CODE**

If, as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, Ever Source Enterprises Limited is beneficially interested in 344,378,558 Shares (representing approximately 7.49% of the total issued share capital of the Company as at the Latest Practicable Date); and Mr. Poon Sum and Mr. Poon Sau Tin are beneficially interested in 153,182,453 Shares and 16,292,453 Shares respectively (representing approximately 3.33% and 0.35% of the total issued share capital of the Company respectively as at the Latest Practicable Date). Mr. Poon Sum is also beneficially interested in share options to subscribe for 200,000,000 Shares (representing approximately 4.35% of the total issued share capital of the Company as at the Latest Practicable Date). Ever Source Enterprises Limited is beneficially owned as to 50% by Time Concord Limited, a British Virgin Island-incorporated company which is indirectly owned by a discretionary trust which beneficiaries are family members of Mr. Poon Sum and as to 50% by Guidance Investments Limited, a British Virgin Island-incorporated company which is indirectly owned by a discretionary trust which beneficiaries are family members of Mr. Poon Sau Tin, who is the elder brother of Mr. Poon Sum. Accordingly, each of Mr. Poon Sum and Mr. Poon Sau Tin is also deemed to be interested in the said 344,378,558 Shares beneficially owned by Ever Source Enterprises Limited.

In the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Mandate, then, assuming no 2012 Non-Listed Warrants and 2013 Non-Listed Warrants are exercised and the present equity shareholdings remain the same, the equity interests of Ever Source Enterprises Limited, Mr. Poon Sum and Mr. Poon Sau Tin and their respective associates in the Company would be increased from approximately 7.49%, 10.82% and 7.84% respectively to approximately 8.32%, 12.02% and 8.71% respectively of the total issued share capital of the Company.

In the event that the Directors exercise in full the power to repurchase Shares pursuant to the Repurchase Mandate, an obligation to make a general offer to Shareholders under Rules 26 and 32 of the Takeovers Code will not arise.

**9. SHARE REPURCHASES MADE BY THE COMPANY**

The Company had not repurchased any Shares (whether on Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

**Mr. Wong Kwok Leung**, aged 56, is an Executive Director. He is appointed as the Chief Executive Officer with effective from 1 April 2012 and responsible for the Group's daily operations, administration and production management of the Group's subsidiary in PRC. He obtained the qualification of LCC – Higher Accounting from London Chamber of Commerce and diploma of supervisory studies from Hong Kong Productivity Council. Prior to joining the Group, he worked in the field of finance and accounting for over 18 years and has obtained extensive knowledge therein. He joined the Group in September 1997. Mr. Wong is also a director of certain subsidiaries of the Company. Save as disclosed above, Mr. Wong did not hold any directorship in other listed public companies in the last three years or any position with the Company or other members of the Group.

There is no service contract between the Company and Mr. Wong. He has no fixed term of service with the Company. He will be subject to rotational retirement and re-election requirements at annual general meetings pursuant to Article 87(1) of the Articles of Association. For the year ended 31 March 2014, Mr. Wong received total emolument of HK\$477,000 (including salaries and retirement scheme contributions) which was determined with reference to his duties and responsibilities with the Company, the Company's performance and current market situation. Save as disclosed above, Mr. Wong is and was not connected with any Directors, senior management or substantial or controlling Shareholders of the Company. As at the Latest Practicable Date, Mr. Wong has personal interests in 16,285 Shares and share options to subscribe for 100,000 Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Mr. Wong is not aware of any other matters that need to be brought to the attention of the Shareholders in relation to his re-election as director and any information in relation to Mr. Wong required to be disclosed pursuant to any of the requirements of rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

**Mr. Chan Shu Kin**, aged 59, is an Independent Non-executive Director. He was appointed on 21 October 2002. He is also the Chairman of the Audit Committee of the Company and a member of the Remuneration Committee, Nomination Committee and Corporate Governance Committee of the Company. He is a certified public accountant and is a partner of Messrs. Ting Ho Kwan & Chan, Certified Public Accountants. He is an associate member of the Institute of Chartered Accountants in England and Wales, fellow member of the Association of Chartered Certified Accountants in the United Kingdom and the Hong Kong Institute of Certified Public Accountants. He is also a Certified Tax Advisor of the Taxation Institute of Hong Kong. He has over 37 years of experience in the field of auditing, accounting as well as financial management. He is the past president of the Society of Chinese Accountants and Auditors. He is also an independent non-executive director of PYI Corporation Limited which is a listed company on the main board of the Stock Exchange. Save as disclosed above, Mr. Chan did not hold any directorship in other listed public companies in the last three years or any position with the Company or other members of the Group.

There is no service contract between the Company and Mr. Chan. He has no fixed term of service with the Company. He will be subject to rotational retirement and re-election requirements at annual general meetings pursuant to Article 87(1) of the Articles of Association. The Director's fee payable to Mr. Chan as an Independent Non-executive Director is determined by the Shareholders in annual general meeting. Subject to the

authority given by the Shareholders at the Annual General Meeting, the Board determined that the Director's fee payable to Mr. Chan for the year ending 31 March 2015 be fixed at HK\$264,000 with reference to his duties and responsibilities with the Company, the Company's performance and current market situation. Mr. Chan is and was not connected with any Directors, senior management or substantial or controlling Shareholders of the Company. As at the Latest Practicable Date, Mr. Chan has personal interest in 61,500 Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Mr. Chan is not aware of any other matters that need to be brought to the attention of the Shareholders in relation to his re-election as director and any information in relation to Mr. Chan required to be disclosed pursuant to any of the requirements of rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

**Mr. Cheung Kwan Hung**, aged 62, is an Independent Non-executive Director. He was appointed on 30 September 2004. He is also the Chairman of the Nomination Committee of the Company and a member of the Audit Committee, Remuneration Committee and Corporate Governance Committee of the Company. He is a member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He has over 12 years of experience in accounting, finance and investment banking specialising in equity/debt fund raising, mergers and acquisitions and corporate and debt restructuring. He was also an executive director of publicly listed companies undertaking corporate management, planning and strategies development functions. Currently, he is an independent non-executive director of NewOcean Energy Holdings Limited, Great Harvest Maeta Group Holdings Limited and Gold Tat Group International Limited (formerly known as "Mobile Telecom Network (Holdings) Limited"), the shares of which are listed on the Stock Exchange. Save as disclosed above, Mr. Cheung did not hold any directorship in other listed public companies in the last three years or any position with the Company or other members of the Group.

There is no service contract between the Company and Mr. Cheung. He has no fixed term of service with the Company. He will be subject to rotational retirement and re-election requirements at annual general meetings pursuant to Article 87(1) of the Articles of Association. The Director's fee payable to Mr. Cheung as an independent non-executive Director is determined by the Shareholders at annual general meeting. Subject to the authority given by the Shareholders at the Annual General Meeting, the Board determined that the Director's fee payable to Mr. Cheung for the year ending 31 March 2015 be fixed at HK\$264,000 with reference to his duties and responsibilities with the Company, the Company's performance and current market situation. Mr. Cheung is and was not connected with any Directors, senior management or substantial or controlling Shareholders of the Company. As at the Latest Practicable Date, Mr. Cheung has personal interest in 234,000 Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Mr. Cheung is not aware of any other matters that need to be brought to the attention of the Shareholders in relation to his re-election as director and any information in relation to Mr. Cheung required to be disclosed pursuant to any of the requirements of rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

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## NOTICE OF ANNUAL GENERAL MEETING

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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)**

#### **NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of PetroAsian Energy Holdings Limited (the “Company”) will be held at Imperial Room III, Mezzanine Floor, Towers Wing, The Royal Pacific Hotel & Towers, China Hong Kong City, 33 Canton Road, Tsimshatsui, Kowloon, Hong Kong on Monday, 25 August 2014 at 11:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements for the year ended 31 March 2014 together with the report of the directors and the independent auditor’s report.
2. To consider and approve, each as a separate resolution, if thought fit, the following resolutions:
  - (1) To re-elect Mr. Wong Kwok Leung as director;
  - (2) To re-elect Mr. Chan Shu Kin as director, who has served as an independent non-executive director of the Company for more than 9 years;
  - (3) To re-elect Mr. Cheung Kwan Hung as director, who has served as an independent non-executive director of the Company for more than 9 years;
  - (4) To authorise the directors to fix the remuneration of the directors.
3. To re-appoint auditor and authorise the directors to fix their remuneration.
4. To consider and, if thought fit, pass, with or without modifications, the following resolution as an ordinary resolution:

#### **ORDINARY RESOLUTION**

**“THAT:**

- (a) subject to paragraphs (b) and (c) below pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited (the “Stock



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## NOTICE OF ANNUAL GENERAL MEETING

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Exchange”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Listing Rules or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

- (b) the aggregate nominal amount of shares in the Company which the Company may repurchase pursuant to the approval in paragraph (a) above shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution, and the said approval shall be limited accordingly;
  - (c) for the purposes of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
    - (i) the conclusion of the next annual general meeting of the Company;
    - (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law of the Cayman Islands or its articles of association to be held; or
    - (iii) the passing of an ordinary resolution of the shareholders of the Company in general meeting revoking, varying or renewing the authority given to the directors of the Company by this resolution.”
5. To consider and, if thought fit, pass, with or without modifications, the following resolution as an ordinary resolution:

### ORDINARY RESOLUTION

**“THAT:**

- (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and any securities which carry rights to subscribe for or are convertible into shares in the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and any securities which carry rights to subscribe for or are convertible into shares in the Company) which would or might require the exercise of such power after the end of the Relevant Period;



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- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than (i) a Rights Issue (as hereinafter defined); (ii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue of shares or rights to acquire shares in the Company; (iii) an issue of shares pursuant to the exercise of the subscription or conversion rights attaching to any warrants or any securities of the Company which are convertible into shares in the Company in issue prior to the date of the passing of this resolution; (iv) an issue of shares under any scrip dividend scheme or similar arrangement providing for the allotment and issue of shares in lieu of the whole or part of a dividend in accordance with the articles of association of the Company from time to time; or (v) an issue of shares under a specific authority granted by the shareholders of the Company in general meeting, shall not exceed 20 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution,

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law of the Cayman Islands or its articles of association to be held; or
- (iii) the passing of an ordinary resolution of the shareholders of the Company in general meeting revoking, varying or renewing the authority given to the directors of the Company by this resolution; and

“Rights Issue” means an offer of shares in the Company, or issue of options, warrants or other securities giving the right to subscribe for shares in the Company, open for a period fixed by the directors of the Company to the holders of shares in the Company on the register of members (or, if appropriate, holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their then holdings of such shares (or, where appropriate, such other securities) as at that date (subject in all cases to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

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6. To consider and, if thought fit, pass, with or without modifications, the following resolution as an ordinary resolution:

### ORDINARY RESOLUTION

“**THAT** subject to the passing of the resolutions nos. 4 and 5 set out in the notice convening this meeting, the general mandate granted to the directors of the Company to allot, issue and deal with additional shares pursuant to resolution no. 5 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares in the capital of the Company repurchased by the Company under the authority granted pursuant to resolution no. 4 set out in the notice convening this meeting, provided that such amount of shares so repurchased shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution.”

By Order of the Board  
**PETROASIAN ENERGY HOLDINGS LIMITED**  
**Poon Wai Kong**  
*Company Secretary*

Hong Kong, 25 July 2014

*Notes:*

1. Any member of the Company entitled to attend and vote at this meeting shall be entitled to appoint more than one proxy to represent him and vote on his behalf at this meeting. The proxy need not be a member of the Company but must attend this meeting in person.
2. To be valid, the proxy form, together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof, must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding this meeting or any adjournment thereof.
3. The registers of members and warrant holders of the Company will be closed from Wednesday, 20 August 2014 to Monday, 25 August 2014, both days inclusive, during which period no transfer of shares will be effected and no transfer or exercise of non-listed warrants will be effected. In order to determine the identity of members who are entitled to attend and vote at this meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 19 August 2014 and all completed subscription forms in relation to the exercise of the non-listed warrants accompanied by the appropriate subscription monies and the relevant warrant certificates must be lodged with the Company in accordance with the terms and conditions of the non-listed warrants not later than 4:30 p.m. on Tuesday, 19 August 2014.
4. With regard to item no.2 of this notice, details of retiring directors proposed for re-election namely, Mr. Wong Kwok Leung, Mr. Chan Shu Kin and Mr. Cheung Kwan Hung, are set out in appendix II to the circular to shareholders dated 25 July 2014.
5. As at the date of this notice, the executive directors of the Company are Mr. Poon Sum, Mr. Wong Kwok Leung and Mr. Poon Wai Kong, the non-executive director of the Company is Mr. Zaid Latif and the independent non-executive directors of the Company are Mr. Chan Shu Kin, Mr. Chan Kam Ching, Paul and Mr. Cheung Kwan Hung.