

**For Immediate Release**

**PACIFIC ASIA PETROLEUM, INC. ANNOUNCES FILING OF SEC FORM 10-SB TO BECOME FULLY REPORTING**

HARTSDALE, NY, August 17, 2007 — Pacific Asia Petroleum, Inc. (“PAP” or the “Company”), a Delaware non-publicly reporting company whose shares are publicly quoted for sale on the Pink Sheets (“PFAP.PK”), today announced that on August 16, 2007, it filed a registration statement on Form 10-SB with the Securities and Exchange Commission (the “SEC”) to voluntarily become a fully reporting company.

The filing is available at [www.SEC.gov](http://www.SEC.gov). The reporting accountants are RBSM LLP. Once the Form 10-SB is effective, the Company expects to be eligible for listing on the National Association of Securities Dealers’ Over the Counter Bulletin Board (“OTCBB”).

“The completion of our audit and the filing of the Company’s Form 10-SB with the SEC represent significant milestones for our Company,” stated Frank C. Ingriselli, the Company’s President and Chief Executive Officer. “Full reporting status is very important to us during our next phase of growth in Asia where the dramatic expansion of economic growth and demand for energy continues. As a reporting company, we hope to attract institutional and professional investors and develop a broader shareholder base. This should help us to concentrate on building a financially strong company through the continuation of our petroleum drilling activities and the commencement of coal bed methane (“CBM”) and tight gas sand operations in China, and the potential acquisitions of additional CBM, natural gas and oil production opportunities.”

PAP is a development stage company formed to develop new energy ventures through its subsidiaries and through joint ventures and other partnerships in which its subsidiaries will participate. The Company recently completed a private placement of its common stock, raising approximately \$15.5 million, net of costs, and the Company has approximately \$17.6 million in positive working capital. The members of the Company’s senior management team have extensive experience in the fields of petroleum engineering, geology, field development and production, operations, international business development, and finance. Several members of the Company’s management team have held management and executive positions with Texaco Inc. and have managed energy projects in China and elsewhere in Asia and other parts of the world. The Company’s management team also has experience in oil drilling, operations, geological, engineering and sales in China’s energy sector. The Company’s current operations consist of the drilling of oil wells in recently discovered fields in Inner Mongolia, China. The Company also is a party to several agreements and letters of intent relating to additional projects, including an Agreement for Joint Cooperation which the Company signed with China United Coalbed Methane Co., Ltd. (the Chinese Government-designated company holding exclusive rights to negotiate with foreign companies with respect to CBM production in China). This agreement grants the Company the exclusive rights to a large prospective contract area for CBM production located in the Shanxi Province of China, with an option to convert such arrangement into a production sharing contract. The Company plans to exercise this option and, as of July 2007, was negotiating the terms of a production sharing contract as well as preliminary documentation regarding the acquisition of several other prospective CBM and other gas opportunities in the Shanxi Province on which significant reserves of gas have been discovered. To assist in its efforts, the Company has retained several CBM experts who successfully assisted in the development and operation of the first CBM ventures in China with the international energy industry.

PAP’s corporate office is located at 250 East Hartsdale Ave., Hartsdale, New York 10530, and also has an office located in Beijing, China. PAP may be reached by telephone at (914) 472-6070, and its website is [www.papetroleum.com](http://www.papetroleum.com).

## Forward Looking Statements

*This press release contains certain forward-looking statements relating to Pacific Asia Petroleum and its current and potential operations in China that are based on management's current expectations, estimates and projections about the petroleum, CBM and other energy-related industries. These statements and other statements contained in this press release that are not purely historical fact are forward-looking statements that are based on management's beliefs, certain assumptions and current expectations. Words such as "expect(s)," "feel(s)," "believe(s)," "will," "may," "anticipate(s)," and similar expressions and statements about Pacific Asia Petroleum's market and contractual opportunities, future plans and performance, objectives and expectations with respect to future operations and oil and gas exploration, development, production and trading activities, and financial projections and estimates and their underlying assumptions, are all forward-looking statements subject to risks and uncertainties, including, but not limited to: our lack of operating history; our ability enter to into definitive agreements to formalize foreign energy ventures and secure necessary exploitation rights; our ability to raise capital to fund our operations, and limited and potentially inadequate cash resources; our ability to successfully integrate and operate our recently merged entities and multiple foreign energy ventures and subsidiaries; changing levels of competition; changes in laws and regulations that effect our operations, including government support/incentives for foreign oil and gas ventures and environmental regulations; the preliminary nature of well data, including permeability and gas content, and commercial viability of the wells and coal bed methane resources; risk and uncertainties associated with exploration, development and production of oil and gas; drilling and production risks; expropriation and other risks associated with foreign operations; anticipated and ongoing pipeline construction and transportation of oil and gas; matters affecting the oil and gas industries generally; lack of availability of oil and gas field goods and services; environmental risks; and our lack of operating revenue and earnings history. Readers are cautioned not to place any undue reliance on these forward-looking statements. Actual results may differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. The forward-looking statements contained in this press release are made as of the date hereof, and Pacific Asia Petroleum does not undertake an obligation to update any forward-looking statements to reflect events or circumstances after the date on which any such statement is made or to reflect the occurrence of unanticipated events.*

**For more information, please contact Pacific Asia Petroleum at 250 East Hartsdale Ave., Hartsdale, New York 10530, telephone (914) 472-6070, or Pacific Asia Petroleum's investor relations contact as at:**

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