

For Immediate Release

PACIFIC ASIA PETROLEUM, INC. ANNOUNCES FILING OF AMENDED SEC FORM 10-SB AND THE EFFECTIVENESS OF ITS FORM 10-SB/A

HARTSDALE, NY, October 16, 2007 — Pacific Asia Petroleum, Inc. (“PAP”), a Delaware company whose shares are publicly quoted for sale on the Pink Sheets (“PFAP.PK”), today announced that on October 12, 2007, it filed with the United States Securities and Exchange Commission (“SEC”) an amendment to the original Form 10-SB filed by PAP on August 16, 2007. The amendment, which was filed in response to comments and questions received from the SEC on the original filing, became effective on October 15, 2007. The filing is available at www.SEC.gov

As a result of the effectiveness of the Form 10-SB, PAP has become a fully reporting company under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). The effectiveness of this registration statement is required in order for shares of PAP’s common stock to trade on the OTC Bulletin Board in the United States. The National Association of Securities Dealers governs the OTC Bulletin Board, the same body that governs the NASDAQ Stock Market.

PAP is now subject to reporting and disclosure obligations under the Exchange Act, including the obligation to file with the SEC periodic reports, such as Annual Reports on Form 10-KSB (a detailed annual report of PAP’s operations), Quarterly Reports on Form 10-QSB (a quarterly report of operations) and Current Reports on Form 8-K (a report of significant reportable events).

PAP cannot predict when or if its shares of common stock will begin trading on the OTC Bulletin Board, but believes it now meets all requirements for doing so. Currently, PAP’s common stock trades on the National Quotation Bureau’s Pink Sheets under the symbol “PFAP.PK.”

“Becoming a fully reporting company represents a significant milestone for our Company,” stated Frank C. Ingriselli, the Company’s President and Chief Executive Officer. “As a reporting company, we hope to attract institutional and professional investors and develop a broader shareholder base. We believe that this will help during our next phase of growth in Asia where the dramatic expansion of economic growth and demand for energy continues. We plan 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 natural gas and oil production opportunities.”

PAP is a development stage company formed to develop new energy ventures, directly and through joint ventures and other partnerships in which it may participate. PAP recently completed a private placement of its common stock, raising approximately \$15.5 million, net of costs, and currently has approximately \$17.6 million in positive working capital. Members of PAP’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 PAP’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. Members of PAP’s management team also have experience in oil drilling, operations, geological, engineering and sales in China’s energy sector. PAP’s current operations consist of the drilling of oil wells in recently discovered fields in Inner Mongolia, China. PAP is also 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 contract area for CBM production located in the Shanxi Province of China, and PAP is

currently negotiating to convert such arrangement into a production sharing contract. PAP has also entered into four asset transfer agreements for the purchase by PAP of participating interests in production sharing contracts with respect to four CBM and tight gas sand resource blocks located in the Shanxi Province of China, with an aggregate contract area of approximately 1.5 million acres. The consummation of the purchase of such participating interests is contingent upon a number of conditions precedent. To assist in its CBM ventures, the Company has retained several CBM experts who successfully assisted in the development and operation of several other CBM ventures in China with the international energy industry.

PAP's corporate office is located at 250 East Hartsdale Ave., Hartsdale, New York 10530. It 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.

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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