

**For Immediate Release**

**PACIFIC EAST ADVISORS, INC. ANNOUNCES AMENDMENT AND RESTATEMENT OF DEFINITIVE MERGER AGREEMENTS WITH INNER MONGOLIA PRODUCTION COMPANY LLC AND ADVANCED DRILLING SERVICES, LLC**

CUPERTINO, CA, February 15, 2007 — Pacific East Advisors, Inc. (“PEA”), a Delaware company whose shares are publicly quoted for sale on the Pink Sheets under the symbol “PCAD.PK”, today announced that on February 12, 2007 it amended and restated the merger agreements originally entered into on December 11, 2006 with Advanced Drilling Services, LLC (“ADS”), a Delaware limited liability company, and Inner Mongolia Production Company LLC (“IMPCO”), a New York limited liability company. PEA announced the entry into the original merger agreements on January 12, 2007. The Amended and Restated Agreement and Plan of Merger and Reorganization (the “Restated DrillCo Merger Agreement”) with DrillCo Acquisition, LLC (“DrillCo Merger Sub”), a Delaware limited liability company and a wholly-owned subsidiary of PEA, and ADS, amends and restates in its entirety the Agreement and Plan of Merger and Reorganization entered into by and among PEA, DrillCo Merger Sub and ADS on December 11, 2006. The Amended and Restated Agreement and Plan of Merger and Reorganization (the “Restated IMPCO Merger Agreement,” and together with the Restated DrillCo Merger Agreement, the “Restated Merger Agreements”) with IMPCO Acquisition, LLC (“IMPCO Merger Sub”), a New York limited liability company and a wholly-owned subsidiary of PEA, and IMPCO, amends and restates in its entirety the Agreement and Plan of Merger and Reorganization entered into by and among PEA, IMPCO Merger Sub and IMPCO on December 11, 2006. The Restated Mergers Agreements were primarily amended to reflect a reduction in the issued and outstanding Class A Interests of ADS and to increase the exchange ratio pursuant to which IMPCO Class A Units and Class B Units will convert into capital stock of PEA from 7:1 to 17:1.

The basic structure of the business combination transactions in the Restated Merger Agreements remains as previously disclosed: (1) ADS will merge with and into DrillCo Merger Sub, DrillCo Merger Sub will be the surviving entity and will continue to carry on the business of ADS, and the interest holders of ADS will become stockholders of PEA (the “DrillCo Merger”) and (2) IMPCO will merge with and into IMPCO Merger Sub, IMPCO Merger Sub will be the surviving entity and will continue to carry on the business of IMPCO, and the interest holders of IMPCO will become stockholders of PEA (the “IMPCO Merger,” and together with the DrillCo Merger, the “Mergers”). The Mergers remain part of a single integrated transaction pursuant to an integrated plan and are intended to qualify as a tax-free transaction. The Board of Directors of PEA has approved the Mergers, and the Board of Managers of each of ADS and IMPCO have approved the ADS Merger and the IMPCO Merger, respectively. Upon the closing of the Mergers, PEA will change its name to “Pacific Asia Petroleum, Inc.,” and will make commercially reasonable efforts to list its Common Stock on the Over-The-Counter Bulletin Board. Also, the board of directors and management team of PEA will be recast so that the following persons will be appointed as the Directors of PEA: (i) Frank C. Ingriselli, who is the current Manager, Chief Executive Officer, President, and controlling member of IMPCO; (ii) Laird Q. Cagan, who is the current Manager, Chief Executive Officer, President, and controlling member of ADS; and (iii) Elizabeth P. Smith.

The closings of the Mergers are scheduled to occur concurrently on or before April 30, 2007, contingent upon the occurrence of customary closing conditions. Upon the closing of the Mergers, (i) each of the 9,850,000 ADS Class A Interests which are issued and outstanding shall automatically be converted into the right to receive one (1) share of PEA Common Stock, (ii) each of the 347,296 IMPCO Class A Units which are issued and outstanding shall automatically be converted into the right to receive seventeen (17) shares of PEA Common Stock, and (iii) each of the 594,644 IMPCO Class B Units which are issued and outstanding shall automatically be converted into the right to receive seventeen (17) shares of PEA Series A Preferred Stock. After giving effect to the Mergers and conversion of ADS Class A Interests, IMPCO Class A Units and Class B Units into capital stock of PEA, there will be 26,331,052 shares issued and outstanding. This would result in the holders of the approximately 468,068 shares of PEA Common Stock currently outstanding owning approximately 1.8 percent, the holders of ADS Class A Interests owning

approximately 37.4 percent, the holders of IMPCO Class A Units owning approximately 22.4 percent, and the holders of IMPCO Class B Units owning approximately 38.4 percent of PEA at the closing of the Mergers, assuming that the current number of issued and outstanding securities of PEA, ADS and IMPCO remain unchanged prior to the closing of the Mergers and without taking into account any additional securities which may be issued in connection with capital-raising activities which would result in the dilution of the interests of all stockholders of PEA.

PEA was incorporated in the State of Delaware in 1979 under the name “Gemini Marketing Associates, Inc.” In 1994, PEA changed its name to “Big Smith Brands, Inc.,” and in 2006 PEA changed its name to “Pacific East Advisors, Inc.”

### **Forward-Looking Statements**

*This press release contains certain forward-looking statements relating to PEA’s anticipated mergers with ADS and IMPCO, expected benefits of the transactions, and about PEA, ADS and IMPCO. Readers of this press release should be advised and aware that the mergers of ADS and IMPCO with PEA may not occur. These statements and other statements contained in this press release that are not purely historical fact are forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, 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 PEA’s, ADS’ and IMPCO’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 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 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; our lack of operating revenue and earnings history; and our status as a non-reporting company that does not make periodic filings with the Securities and Exchange Commission. Readers are cautioned not to place any undue reliance on these forward-looking statements.*

*More information about PEA, ADS and IMPCO can be obtained by contacting the companies at the phone numbers provided below. 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 neither PEA, ADS nor IMPCO 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.*

*This announcement is neither an offer to purchase nor a solicitation of an offer to sell shares of PEA, ADS or IMPCO.*

### **Additional Information**

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