

PACIFIC EAST ADVISORS, INC. ANNOUNCES \$17 MILLION FUNDING, NAME CHANGE TO PACIFIC ASIA PETROLEUM, INC. AND MERGER WITH INNER MONGOLIA PRODUCTION COMPANY LLC AND ADVANCED DRILLING SERVICES, LLC

CUPERTINO, CA, May 8, 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 effective May 7, 2007, (i) Advanced Drilling Services, LLC (“ADS”), a Delaware limited liability company, merged with and into DrillCo Acquisition, LLC (“DrillCo Merger Sub”), a Delaware limited liability company and a wholly-owned subsidiary of PEA (the “DrillCo Merger”), and (ii) Inner Mongolia Production Company LLC (“IMPCO”), a New York limited liability company, merged with and into IMPCO Acquisition, LLC (“IMPCO Merger Sub”), a New York limited liability company and a wholly-owned subsidiary of PEA (the “IMPCO Merger,” and together with the DrillCo Merger, the “Mergers”). Under the terms of the Mergers, ADS’ and IMPCO’s operations were merged with and into DrillCo Merger Sub and IMPCO Merger Sub, respectively, with these merger subsidiaries carrying on the ongoing business operations of ADS and IMPCO, interest holders of ADS and IMPCO became stockholders of PEA, PEA changed its name to “Pacific Asia Petroleum, Inc.,” and all of the officers and directors of PEA resigned and the following persons were appointed as officers and directors of PEA: (i) Frank C. Ingriselli, Chief Executive Officer, President, Secretary and Director; (ii) Laird Q. Cagan, Director; (iii) Elizabeth P. Smith, Director; (iv) Stephen F. Groth, Vice President and Chief Financial Officer; and (v) Jamie Tseng, Executive Vice President.

Immediately prior to the closing of the Mergers, ADS closed a private equity financing (the “Offering”) which raised \$17 million in exchange for the issuance of 13,600,000 ADS Class B Interests to qualified investors. Upon the closing of the Mergers, (i) each of the 9,850,000 ADS Class A Interests which were issued and outstanding automatically converted on a 1:1 basis into the right to receive an aggregate of 9,850,000 shares of PEA Common Stock, (ii) each of the 13,600,000 ADS Class B Interests issued in the Offering which were issued and outstanding automatically converted on a 1:1 basis into the right to receive an aggregate of 13,600,000 shares of PEA Series A Preferred Stock, (iii) each of the 347,296 IMPCO Class A Units which were issued and outstanding automatically converted on a 1:17 basis into the right to receive an aggregate of 5,904,032 shares of PEA Common Stock, and (iv) each of the 594,644 IMPCO Class B Units which were issued and outstanding automatically converted on a 1:17 basis into the right to receive an aggregate of 10,108,948 shares of PEA Series A Preferred Stock. Following the Mergers and the financings detailed herein, PEA’s outstanding shares total 16,222,154 shares of Common Stock and 23,708,952 shares of Series A Preferred Stock, for an aggregate total of 39,931,106 shares of capital stock outstanding. Further, PEA now has outstanding warrants to purchase 1,860,000 shares of Series A Preferred Stock, outstanding options to purchase 836,400 shares of Common Stock, and has reserved 4,000,000 shares of Common Stock under PEA’s 2007 Stock Plan (of which no shares or options have been issued or granted).

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.” As described above, PEA’s new name is now “Pacific Asia Petroleum, Inc.” (“Pacific Asia Petroleum”).

IMPCO and ADS have collectively raised approximately \$21.6 million in private equity financings to date. Immediately prior to the closing of the Mergers, ADS closed a private equity financing which raised \$17 million, and in the third quarter of 2006, IMPCO closed a private equity financing that raised approximately \$4.6 million. Using proceeds raised in the IMPCO offering, IMPCO already commenced operational activities in China and successfully drilled its first producing well in a prospective area in Inner Mongolia.

Pacific Asia Petroleum is a holding company for new energy ventures to be developed through its subsidiaries, including IMPCO and ADS, and through joint ventures and other partnerships in which its subsidiaries will participate, in order to reduce risk in these ventures. As a result of the Mergers, Pacific Asia Petroleum became the parent company of Inner Mongolia Production Co (HK) Limited, a wholly-owned subsidiary of IMPCO organized under the laws of Hong Kong (“IMPCO HK”), and a Chinese joint venture company named Inner Mongolia Sunrise Petroleum JV Company, which is owned 97% by IMPCO HK and 3% by Beijing Jinrun Hongda Technology Co., Ltd. (an unaffiliated Chinese corporation), that was formed as an indirect subsidiary of IMPCO to engage in Chinese energy ventures. While it is possible that Pacific Asia Petroleum may engage in projects through these and other subsidiaries and joint ventures in which it is involved in the staffing of personnel and/or be involved in other phases of operations in energy ventures, Pacific Asia Petroleum envisions that a significant portion of its business will be limited to investments in these ventures. Pacific Asia Petroleum believes that this business strategy will help Pacific Asia Petroleum maximize returns, reduce exposure and spread risk appropriately among several ventures.

The members of Pacific Asia Petroleum’s new senior management team has collectively over 125 years of global experience in the fields of petroleum engineering, geology, field development and production, operations, international business development, and finance. Several members of the Pacific Asia Petroleum management team have held management and executive positions with Texaco Inc. and have managed successful and profitable projects in China, elsewhere in Asia, and around the world. The Pacific Asia Petroleum management team is bolstered with the addition of experts in oil drilling, operations, geological, engineering and sales, all of whom have experience working in China’s energy sector.

Pacific Asia Petroleum’s first venture, which already has been initiated by IMPCO, involves the drilling of several oil wells in recently discovered fields in Inner Mongolia, China, and has already yielded revenues in the first quarter of 2007. As a result of the Mergers, Pacific Asia Petroleum has also become a party to a number of letters of intent, including (i) a letter of intent providing a subsidiary of Pacific Asia Petroleum with certain rights related to China’s Mudanjiang Energy Development Project, and (ii) a letter of intent granting a subsidiary of Pacific Asia Petroleum an economic interest in a joint venture for bus manufacturing in Tianjin, China, involving the import of advanced hydraulic hybrid energy technology for the production of buses.

In addition, in November 2006 IMPCO entered into an Agreement for Joint Cooperation with China United Coalbed Methane Co., Ltd. (the Chinese Government-designated company holding exclusive rights to negotiate with foreign companies), which agreement provides exclusive rights to a large prospective contract area for coal bed methane (“CBM”) production located in the Shanxi Province of China, with an option to convert such agreement into a production sharing agreement. Pacific Asia Petroleum is also currently negotiating an additional CBM production sharing opportunity in China. CBM is a high-profile focus area of the Chinese Government and an area where China encourages foreign investment. To assist in its efforts, Pacific Asia Petroleum has enlisted the aid of one of the world’s premier CBM experts who successfully assisted in the development and operation of the first such CBM

venture in China with the international energy industry. Pacific Asia Petroleum hopes to finalize one or more of these CBM production sharing agreements so that an early production scheme can be realized.

Pacific Asia Petroleum's corporate office is located at 250 East Hartsdale Ave., Hartsdale, New York 10530, and Pacific Asia Petroleum also has an office located in Beijing, China and in Inner Mongolia, China. Pacific Asia Petroleum may be reached by telephone at (914) 472-6070. Pacific Asia Petroleum's website is www.papetroleum.com.

The following summary financial information has been derived from the unaudited financial statements of Pacific Asia Petroleum, IMPCO and ADS. While this information has been prepared by Pacific Asia Petroleum's management in accordance with accounting principles generally accepted in the United States, it does not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. The information has not been reviewed by an independent auditor. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of summary financial information have been included below:

Statement of Operations	Year Ended Dec. 31, 2005 (Unaudited)	Year Ended Dec. 31, 2006 (Unaudited)
Operating Income (loss)	\$ (79,915)	\$ (1,215,976)
Other Income (expense)	-	104,837
Income (loss) before provisions for income tax	(79,915)	(1,111,139)
Net Income (loss)	\$ (79,915)	(1,111,139)

Set forth below is information regarding the executive officers and board of directors of Pacific Asia Petroleum.

Frank C. Ingriselli, Chief Executive Officer, President, Secretary and Director

Frank C. Ingriselli, 53, has over 25 years experience in the energy industry. Mr. Ingriselli began his career at Texaco in 1979 and held management positions in Texaco's Producing-Eastern Hemisphere Department, Middle East/Far East Division, and Texaco's International Exploration Company. In 1992, Mr. Ingriselli was named President of Texaco International Operations Inc. and over the next several years directed Texaco's global initiatives in exploration and development. In 1996, he was appointed President and CEO of the Timan Pechora Company, a Houston, Texas headquartered company owned by affiliates of Texaco, Exxon, Amoco and Norsk Hydro, which was developing the largest international investment in Russia at that time. In 1998, Mr. Ingriselli returned to Texaco's Executive Department with responsibilities for Texaco's power and gas operations, merger and acquisition activities, pipeline operations and corporate development. In August 2000, Mr. Ingriselli was appointed President of Texaco Technology Ventures, which was responsible for all of Texaco's multi-billion dollar global technology initiatives and investments. In 2001, Mr. Ingriselli retired from Texaco after the merger with Chevron, and founded Global Venture Investments LLC, an energy consulting firm, for which Mr. Ingriselli serves as the President and Chief Executive Officer. In 2005 Mr. Ingriselli founded IMPCO, and served as the President, Chief Executive Officer and a Manager of IMPCO prior to the Mergers.

Since 1996, Mr. Ingriselli sat on the Board of the Electric Drive Transportation Association (where he was also Treasurer), the Angelino Group, and was an officer of several subsidiaries of Energy Conversion Devices Inc., a U.S. public corporation. From 2001 to 2006, he was a Director and Officer of General Energy Technologies Inc., a “technology facilitator” to Chinese industry serving the critical need for advanced energy technology and the growing demand for low cost high quality components, and Eletra Ltd, a Brazilian hybrid electric bus developer. Mr. Ingriselli has recently resigned from all of these positions in order to focus all of his time and efforts on Pacific Asia Petroleum. He still sits on the Advisory Board of the Eurasia Foundation, a Washington D.C.-based non-profit that funds programs that build democratic and free market institutions in the new independent states of the former Soviet Union.

Mr. Ingriselli graduated from Boston University in 1975 with a Bachelor of Science degree in Business Administration. He also earned a Master of Business Administration degree from New York University in both Finance and International Finance in 1977 and a Juris Doctor degree from Fordham University School of Law in 1979.

Laird Q. Cagan, Director

Mr. Laird Q. Cagan, 49, was appointed as the Chief Executive Officer, President and sole Manager of ADS in November 2006, and now serves as a Director of Pacific Asia Petroleum. Mr. Cagan is a co-founder and, since 2001, has been Managing Director of Cagan McAfee Capital Partners, LLC (“CMCP”), a merchant bank based in Cupertino, California. Since 2004, Mr. Cagan has also been a Managing Director of Chadbourn Securities, Inc., a NASD licensed broker-dealer. He also continues to serve as President of Cagan Capital, LLC, a merchant bank he formed in 1990, the operation of which transitioned into CMCP. Mr. Cagan has served or serves on the Board of Directors of the following companies: Evolution Petroleum Corporation, a Houston-based public company involved in the acquisition, exploitation, development, and production of crude oil and natural gas resources (since 2004, where Mr. Cagan is also a co-founder and Chairman); American Ethanol Inc, an ethanol company headquartered in Chicago, Illinois (since 2006, where Mr. Cagan is also a co-founder); Real Foundations, Inc., a real estate-focused consulting firm (from 2000 to 2004); Burstein Technologies, a development stage medical devices company (from 2005 to 2006); WorldSage, Inc., a Cupertino, California-based publicly-traded development stage company currently with no operations (since 2006); and TWL Corporation, a Carrollton, Texas-based publicly-traded workplace training and education company (since 2007).

Mr. Cagan has been involved over the past 25 years as a venture capitalist, investment banker and principal, in a wide variety of financings, mergers, acquisitions and investments of high growth companies in a wide variety of industries. At Goldman Sachs and Drexel Burnham Lambert Mr. Cagan was involved in over \$14 billion worth of transactions. Mr. Cagan attended M.I.T. and received his BS and MS degree in engineering, and his MBA from Stanford University. He is a member of the Stanford University Athletic Board of Directors and Chairman of the SF Bay Chapter of the Young Presidents’ Organization.

Elizabeth P. Smith, Director

Elizabeth P. Smith, 57, joined the Board of Directors of Pacific Asia Petroleum upon consummation of the Mergers. Ms. Smith retired from Texaco Inc. as Vice President-Investor Relations and Stockholder Services in late 2001 following the company’s merger with Chevron Corp. Smith was also the Corporate Compliance Officer for Texaco Inc. and was a member of the Board of The Texaco Foundation. Ms. Smith joined Texaco’s Legal Department in 1976. As an attorney in the Legal Department, Ms. Smith handled administrative law matters and litigation. She served as Chairman of the American Petroleum Institute’s Subcommittee on Department of Energy Law for the 1983-1985 term. Ms. Smith was

appointed Director of Investor Relations for Texaco Inc. in 1984, and was named Vice President of the Corporate Communications division in 1989. On January 28, 1992, Ms. Smith was elected a Vice President of Texaco Inc. and assumed additional responsibilities as head of the company's Stockholder Services group. In 1999, Smith was named Corporate Compliance Officer for Texaco Inc.

From 1996 until present, Ms. Smith has served on the Board of Directors of INROADS/Fairfield Westchester Counties, Inc. From 2002 through 2005, she also served as a member of the Boards of Families With Children From China--Greater New York, and from 2004 through 2005 as a member of the Board of The Chinese Language School of Connecticut. While at Texaco, Ms. Smith was an active member in NIRI (National Investor Relations Institute) and the NIRI Senior Roundtable. She was a member and past President of both the Investor Relations Association and the Petroleum Investor Relations Institute. Ms. Smith was a member of the Board of Trustees of Marymount College Tarrytown until 2001. She was also a member of the Board of The Education and Learning Foundation of Westchester and Putnam Counties from 1993 to 2002.

Ms. Smith graduated from Bucknell University in 1971 with a Bachelor of Arts degree, cum laude, and received a Doctor of Jurisprudence degree from Georgetown University Law Center in 1976.

Stephen F. Groth, Chief Financial Officer

Stephen Groth, 54, formerly served as the Vice President, Chief Financial Officer and Manager of IMPCO since its formation in August 2005, and now serves as the Chief Financial Officer of Pacific Asia Petroleum. Mr. Groth brings to IMPCO more than 25 years experience in financial analysis, financial modeling, corporate reporting and financial reporting system expertise. Mr. Groth joined Texaco, Inc. in 1979, and held positions in various financial groups at Texaco and from 1999 to 2001 held a key position in the corporate executive group at Texaco Inc., with the unique responsibility of reviewing all of its investments and divestments (capital expenditures, acquisitions, and divestitures) greater than \$10 million. From 2001 until present, Mr. Groth served as Vice President of Global Venture Investments, LLC ("GVI"), a small energy consulting firm located in White Plains, New York that is wholly-owned by Frank Ingriselli. In his roles at both Texaco and GVI, Mr. Groth reviewed billions of dollars of transactions, assuring that evaluations were done in accordance with appropriate corporate standards and that the assumptions underlying the economic valuations were valid, and he regularly advised client operating departments on appropriate ways to evaluate investment alternatives, providing support for the company's negotiation of major acquisitions and divestitures.

He received his Bachelor of Arts in Philosophy in 1975 from Fordham University and his MBA in Accounting from New York University in 1977. Before joining Texaco in 1979, he worked as an auditor for Price Waterhouse, and as an internal auditor for American Airlines.

Jamie Tseng, Executive Vice President

Jamie Tseng, 53, formerly served as the Executive Vice President and Manager of IMPCO since its inception in August 2005, and now serves as Pacific Asia Petroleum's Executive Vice President. Mr. Tseng brings to IMPCO more than 25 years financial management and operations experience in the People's Republic of China, the Republic of China and the United States. Since 2000, Mr. Tseng has served as Chief Financial Officer of General Energy Technologies Inc., a "technology facilitator" to Chinese industry serving the critical need for advanced energy technology and the growing demand for low cost high quality components.

From 1998 to 2000, Mr. Tseng served as Chief Financial Officer of Multa Communications Corporation, a California-based Internet service provider focusing on China. From 1980 until 1998, he held management positions with Collins Company, Hilton International, China Airlines and Tatung Company of America. Mr. Tseng is fluent in Chinese Mandarin. He has a BD degree in Accounting from Soochow University in Taiwan.

**Safe Harbor Statement Under the
Private Securities Litigation Reform Act of 1995**

This press release contains certain forward-looking statements relating to Pacific Asia Petroleum, including expected benefits of the Mergers. 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 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 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 the 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; 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. 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. On May 8, 2007, and ending on May 8, 2009, Liviakis Financial Communications, Inc. ("LFC") was retained by Pacific Asia Petroleum, Inc. in various consulting capacities including strategic management planning, investor relations and other business development responsibilities. In lieu of paid expenses, salaries or commissions, LFC may be compensated in restricted shares of stock totaling as much as 1,250,000 shares. Officers and employees of LFC may buy or sell shares in Pacific Asia Petroleum, Inc. prior, during or after this release. LFC advises Pacific Asia Petroleum, Inc. but does not provide investment advice. LFC is not a registered investment advisor or broker-dealer. All material provided regarding Pacific Asia Petroleum, Inc. including, but not limited to its history, corporate status, and other developments was prepared using information approved and signed off by Pacific Asia Petroleum, Inc. management as approved for public dissemination. Although the information contained herein is believed to be reliable, LFC makes no warranties as to the accuracy of the description of any of the content herein and accepts no liability for how readers may choose to utilize it.

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:

Liviakis Financial Communications, Inc.
Attn: John Liviakis
655 Redwood Hwy, Suite 395
Mill Valley, CA 94941
Phone: +1(415) 389-4670
www.liviakis.com
john@liviakis.com