



C. K. COOPER & COMPANY
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THE STATE OF THE MARKETS

-Status of the Micro/Small Cap Energy Capital Markets

Offering Summary	
Issuer:	Pacific Asia Petroleum
Symbol:	PAP
Exchange:	NYSE-AMEX
Market Cap:	\$189,065,797
Shares Offered:	5,000,000
Offering Price:	1.89*
Amount Raised:	\$20,000,000

*Inferred Price Deducting Warrant Value

PACIFIC ASIA PETROLEUM COMPLETES A REGISTERED DIRECT OFFERING VALUED AT \$20 MILLION

Recent Transaction Announcement

HARTSDALE, NY--(BUSINESS WIRE)--Pacific Asia Petroleum, Inc. (NYSE Amex: PAP) (the "Company"), a US-based energy company engaged in the development, production and distribution of oil and gas, today announced that the Company has completed its previously announced registered direct offering, raising an aggregate of 5 million shares of its common stock at a price of \$4.00 per share for aggregate gross proceeds of \$20 million.

In the offering, an aggregate of 5 million shares of the Company's common stock, a series of warrants to purchase up to an aggregate of 2 million additional shares of common stock (the "Series A Warrants"), and a second series of warrants to purchase up to an aggregate of 2 million additional shares of common stock (the "Series B Warrants"), were sold to certain institutional investors. The Series A Warrants are exercisable at an exercise price of \$4.50 per share, commencing 6 months after the closing date until the 36 month anniversary of such commencement date, and the Series B Warrants are exercisable at an exercise price of \$4.00 per share effective immediately until November 1, 2010.

Economic Environment	
Measurement	Unit
Crude Oil	\$74.52
Natural Gas	\$5.29
12 Mo. Future Oil	\$79.37
12 Mo. Future Gas	\$6.28
Dow Jones	10,038
NASDAQ	2,148

February 10, 2010

Headquartered in Hartsdale, NY Pacific Asia Petroleum is an independent energy company engaged in the development, production and distribution in the Pacific Rim countries, with an initial focus on developing a broad range of energy opportunities in China.

The following table outlines Pacific Asia Petroleum's stock characteristics prior to the announcement of this transaction based upon the inferred offering price:

Pacific Asia Petroleum					
Measurement	1 Day	10 Day	15 Day	20 Day	30 Day
Avg Price Previous to Transaction	\$ 4.45	\$ 4.45	\$ 4.33	\$ 4.32	\$ 4.43
Avg Daily Volume Previous to Transaction	415,991	304,252	292,379	254,802	269,081
Percentage Discount to the Market	57.5%	57.5%	56.3%	56.3%	57.4%

*negative = premium

Below are the cumulative mean (average) and median discounts to the previous day's closing price of the issuing company in sampled day increments with the aforementioned transaction included:

CKCC Peer Running Avg % Discount to Market*					
Measurement	1 Day	10 Day	15 Day	20 Day	30 Day
Pacific Asia Petroleum's % Discount to Market **	57.5%	57.5%	56.3%	56.3%	57.4%
Peer Transaction Mean % Discount	11.2%	11.4%	11.4%	11.0%	8.9%
Peer Transaction Median % Discount	8.0%	4.6%	6.6%	8.1%	8.2%
Pacific Asia Petroleum's Difference to Mean	46.3%	46.1%	44.9%	45.3%	48.5%
Pacific Asia Petroleum's Difference to Median	49.5%	52.9%	49.7%	48.2%	49.1%

*Previous Closing Price to Announced Transaction

**Using Inferred Offering Price Deducting Value of Included Warrants

The table above compares the 10 most recent transactions to the offering completed by Pacific Asia Petroleum. To account for the 40% warrant coverage of each series of warrants issued, an inferred offering price was calculated for each set of warrants utilizing Black-Scholes. The Series A warrants equated to a net value of \$1.33 and the Series B warrants equated to a net value of \$0.78; a combined value of \$2.11. With the unit being offered at \$4.00, the inferred offering price for the stock is \$1.89.

The Company's offering priced, on average, at a steep discount (57.5%) to the noted closing prices over a 30 day span. The offering priced on average 46 percentage points worse than recent peer transactions which averaged a 10.8% discount over the thirty day range. The post transaction announcement trading session (2/10/2010) closing at \$3.87 is an expected reaction given there was undoubtedly exceptional shorting activity as investors took advantage of the deal structure. Based on transactions that fit this mold, the investors of this issue are likely more interested in the financial mechanisms of the unit rather than the inherent underlying value of the Company.

The offering's use of proceeds will be used towards the pending acquisition of rights in the Oyo Oilfield off the coast of Nigeria and for general corporate purposes.

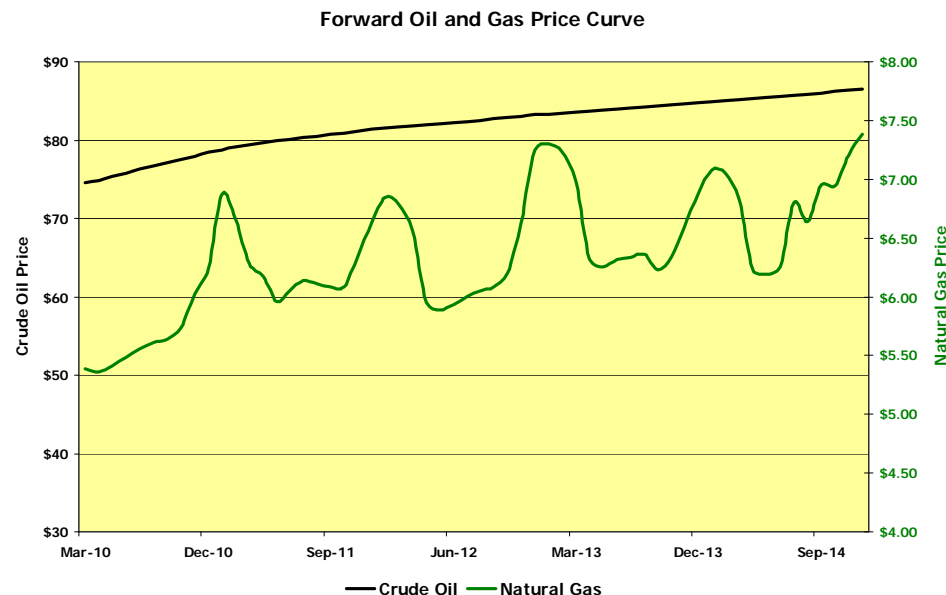
6 Month Stock Performance Chart

Stock Price vs. Offering Price



C. K. Cooper's purpose for this analysis is to provide a snapshot of the current capital markets, demonstrating the current possibilities and arena for a similar company. We track every transaction in a specific peer group, defined by the following guidelines: oil and gas focused, micro and small cap companies from \$50 million to \$1.5 billion market capitalization, domestically based, developed and/or developable tangible assets, fundamentally strong and scalable organization, and common transactions structured under agreeable terms. The 10 most current transactions used for comparative purposes are shown below.

For informative purposes, the graph charts the NYMEX oil and gas future price curve at the date of this publication:



Issuer	Symbol	Exchange	Date	\$ Raised	Offering Px	% Discount to Market				
						1 Day	10 Day	15 Day	20 Day	30 Day
¹ Magnum Hunter Resources**	MHR	NYSE-AMEX	11/11/2009	\$ 11,078,000	\$ 1.47	22.2%	18.3%	19.9%	21.8%	14.0%
GeoResources, Inc.**	GEOI	NASDAQ	11/13/2009	\$ 35,190,000	\$ 10.20	10.7%	11.2%	11.1%	13.4%	12.8%
Houston American Energy**	HUSA	NASDAQ	11/27/2009	\$ 13,525,200	\$ 4.68	-5.4%	-2.0%	-4.7%	-7.4%	-6.3%
U.S. Energy Corp**	USEG	NASDAQ	11/30/2009	\$ 26,250,000	\$ 5.25	11.6%	14.6%	15.6%	14.9%	14.3%
¹ Hyperdynamics Corp**	HDY	NYSE-AMEX	12/2/2009	\$ 6,500,000	\$ 0.51	48.0%	51.2%	52.2%	53.8%	57.9%
American Oil & Gas Inc.**	AEZ	NYSE-AMEX	12/18/2009	\$ 31,500,000	\$ 3.50	15.9%	4.5%	0.7%	-4.4%	-11.9%
Berry Petroleum**	BRY	NYSE	1/11/2010	\$ 234,000,000	\$ 29.25	5.3%	3.7%	3.0%	1.0%	-1.6%
Rex Energy Corp**	REXX	NASDAQ	1/12/2010	\$ 73,500,000	\$ 12.25	1.2%	4.8%	3.3%	0.6%	-6.8%
Concho Resources**	CXO	NYSE	1/25/2010	\$ 198,787,500	\$ 42.75	3.0%	3.9%	5.3%	5.5%	4.6%
Endeavour International*	END	NYSE-AMEX	2/4/2010	\$ 21,112,001	\$ 0.90	0.0%	3.7%	8.0%	10.7%	11.8%
¹ Pacific Asia Petroleum**	PAP	NYSE-AMEX	2/10/2010	\$ 20,000,000	\$ 1.89	57.5%	57.5%	56.3%	56.3%	57.4%
Mean				\$ 65,144,270		11.2%	11.4%	11.4%	11.0%	8.9%
Median				\$ 28,875,000		8.0%	4.6%	6.6%	8.1%	8.2%

*PIPE

**Public Offering

¹ Inferred Offering Price Based on Warrant Coverage