Your inital setup was correct. You should *NOT* add IPs that are meant to be used for the VMs to the hardware node itself.

Basic usage example, ie. you have 3 public IPs from the same subnet available to your server:

- assign 1st IP to eth0 as you normally would
- do *not* assign 2nd and 3rd IP to eth0
- assign 2nd IP to one VM
- assign 3rd IP to another VM, etc.

If you're in doubts which DNS etc. to use for your VMs, use same as you do for eth0.

That's it. Nothing else to do.

The first thing to check if your VM's IP isn't reachable from the outside is the firewall.