

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



SOUTH SEA PETROLEUM HOLDINGS LIMITED

南海石油控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 076)

DISCLOSEABLE TRANSACTION

The Directors of the Company announce that, on 20 January 2012, the Agreement has been entered into between the Company and the Partners that the Company subscribed 51% of shares in XLY for a consideration of US\$4,042,000. The application for the Transaction has been submitted to the local Chinese authorities on 31 January 2012.

The Transaction was disclosed in the interim results announcement dated 31 August 2012. The Company is still awaiting for the final approval from local authorities. The Company intended to make an announcement after the final approval is obtained, however, according to the Listing Rules 14.34, the Company should have disclose the Transaction on 20 January 2012. The Company decided to make an announcement today. And further announcement will be made in due course when such approval is granted.

The Directors of the Company announce that, on 20 January 2012, the Agreement has been entered into between the Company and the Partners that the Company subscribed

51% of shares in XLY for a consideration of US\$4,042,000. The application for the Transaction has been submitted to the local Chinese authorities on 31 January 2012.

Before the Transaction, XLY had no sales and revenue. The Company intended to use the land of XLY to establish production lines with advanced technology in graphite production. The mass production will be launched after the approval of local authorities is granted.

The Transaction was disclosed in the interim results announcement dated 31 August 2012. The Company is still awaiting for the final approval from local authorities. The Company intended to make an announcement after the final approval is obtained, however, according to the Listing Rules 14.34, the Company should have disclose the Transaction on 20 January 2012. The Company decided to make an announcement today. And further announcement will be made in due course when such approval is granted.

DEFINITIONS

“Agreement ”	the share subscription agreement entered between the Company and the Partners on 20 January 2012
“Company”	South Sea Petroleum Holdings Limited, a company incorporated in Hong Kong with limited liability and the securities of which are listed on the Stock Exchange
“Directors”	the board of directors of the Company
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Partners”	the shareholders together holding 49% of shares in XLY, namely Luo Bei Xin Da Graphite Co. Ltd., He Gang Ao Yu Graphite Co. Ltd., Luo Bei Hai Da Graphite Co. Ltd., and Luo Bei San You Graphite Co. Ltd.

“Transaction” the Company subscribed 51% of shares in XLY for a consideration of US\$4,042,000

“XLY” Luo Bei Xin Long Yuen Graphite Production Co. Ltd

By order of the Board of
South Sea Petroleum Holdings Limited
Vivian Lam
Company Secretary

Hong Kong, 3 September 2012

As at the date of this announcement, the board of directors comprises of Mr. Guan Xinmin, Ms. Lee Sin and Zhang Xue being executive directors, Mr. Lu Ren Jie, Mr. Chai Woon Chew and Mr. Ho Choi Chiu being independent non-executive directors.