



**SOUTH SEA PETROLEUM HOLDINGS LIMITED**

**南海石油控股有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 76)**

## **RESIGNATION OF AUDITORS**

The Directors wishes to announce that on 31 October 2006, Johnny Chan & Co. Ltd. has tendered its resignation as auditors of the Group. In its notice of resignation, Johnny Chan & Co. Ltd. stated that the reason for its resignation was that it has, of its own accord, decided to cease business as certified public accountants in Hong Kong. The Directors are in the process of considering various firms of auditors to fill the casual vacancy arising from the resignation of Johnny Chan & Co. Ltd., but no decision has yet been made on the firm to be proposed for appointment. A separate announcement will be made as soon as practicable upon the appointment of a new firm of auditors of the Company by the Directors.

The board of directors (the "Directors") of South Sea Petroleum Holdings Limited (the "Company") wishes to announce that on 31 October 2006, Johnny Chan & Co. Ltd. has tendered its resignation as auditors of the Company and its subsidiaries (the "Group"). In its notice of resignation, Johnny Chan & Co. Ltd. stated that the reason for its resignation was that it has, of its own accord, decided to cease business as certified public accountants in Hong Kong. Johnny Chan & Co. Ltd. has confirmed that there were no circumstances connected with its resignation which it considered should be brought to the attention of the shareholders and creditors of the Group. The Directors also considered that there are no circumstances in respect of the change of auditors which should be brought to the attention of the shareholders of the Company.

The Directors are in the process of considering various firms of auditors to fill the casual vacancy arising from the resignation of Johnny Chan & Co. Ltd., but no decision has yet been made on the firm to be proposed for appointment. A separate announcement will be made as soon as practicable upon the appointment of a new firm of auditors of the Company by the Directors.

By Order of the Board of Directors  
**South Sea Petroleum Holdings Limited**  
**Lam Lee Yu**  
*Company Secretary*

Hong Kong, 1 November 2006

*As at the date of this announcement, the board of directors comprises of Mr. Zhou Ling, Ms. Lee Sin Pyung and Ms. Sit Mei being executive directors, Mr. Lu Ren Jie, Mr. Chai Woon Chew and Mr. Ho Choi Chiu being independent non-executive directors.*