

SSP  **南海石油**
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)

RESULTS OF OPEN OFFER

The Directors are pleased to announce that as at 4:00 p.m. on Tuesday, 7 March 2006, being the latest time for application and payment for the Offer Shares and the excess Offer Shares, 450 valid acceptances for provisional allotments of the Offer Shares have been received for an aggregate of 211,971,468 Offer Shares (representing approximately 65.18% of the total number of the Offer Shares) and 606 valid applications for excess Offer Shares have been received for an aggregate of 339,056,234 excess Offer Shares (representing approximately 104.25% of the total number of the Offer Shares). Accordingly, an aggregate of 551,027,702 Offer Shares were applied for, representing approximately 169.43% of the total numbers of 325,229,529 Offer Shares offered under the Open Offer.

The Open Offer, which was underwritten on a fully underwritten basis, became unconditional at 4:00 p.m. on Friday, 10 March 2006.

Certificates for the Offer Shares will be posted to those Qualifying Shareholders who have validly applied and paid for the Offer Shares and excess Offer Shares, at their own risks, on Wednesday, 15 March 2006. Dealings in the Offer Shares will commence on Friday, 17 March 2006.

Reference is made to the announcements dated 27 January 2006 and 20 February 2006 (the "Announcements") and the prospectus dated 20 February 2006 (the "Prospectus") of the Company in relation to, amongst other things, the Open Offer. Capitalised terms used herein shall have the same meanings as defined in the Prospectus unless otherwise stated.

Pursuant to the Open Offer, the Qualifying Shareholders were entitled to (i) apply for the Offer Shares with assured allotments at the price of HK\$0.20 each on the basis of one Offer Share for every two existing Shares held on the Record Date; and (ii) apply for excess Offer Shares at the price of HK\$0.20 each.

RESULTS OF THE OPEN OFFER

The Directors are pleased to announce that as at 4:00 p.m. on Tuesday, 7 March 2006, being the latest time for application and payment for the Offer Shares and the excess Offer Shares, 450 valid acceptances for provisional allotments of the Offer Shares have been received for an aggregate of 211,971,468 Offer Shares (representing approximately 65.18% of the total number of the Offer Shares) and 606 valid applications for excess Offer Shares have been received for an aggregate of 339,056,234 excess Offer Shares (representing approximately 104.25% of the total number of the Offer Shares). Accordingly, an aggregate of 551,027,702 Offer Shares were applied for, representing approximately 169.43% of the total numbers of 325,229,529 Offer Shares offered under the Open Offer.

The Open Offer, which was underwritten on a fully underwritten basis, became unconditional at 4:00 p.m. on Friday, 10 March 2006. Based on the results above, the Open Offer was oversubscribed. Accordingly, the Underwriters have no further obligations under the Underwriting Agreement.

EXCESS APPLICATION

The Directors have determined that the 113,258,061 Offer Shares available for excess application would be allotted on the following basis:

No. of excess Offer Shares applied for	No. of valid applications	Approximate percentage/Basis of allotment (Note)
1 to 3,999	314	100% (In full)
4,000 to 36,500,000	291	33.03% to 66.66% (Including odd lot excess Offer Shares applied for in full and the remaining excess Offer Shares applied for at approximately 33.03% and rounded up to a board lot)
54,613,064	1	33.03%

Note: Preference was given to odd lot applications.

The excess Offer Shares were allocated at the discretion of the Directors and the Directors consider that the allocation of the excess Offer Share are on a fair and equitable basis by reference to the number of excess Offer Shares applied for by each qualifying Shareholders, but giving preference to topping-up odd lots to whole board lots.

SHAREHOLDING STRUCTURE

In accordance with the Irrevocable Undertakings, the Principal Shareholder has subscribed for all its entitlements pursuant to the Open Offer (being 16,000,000 Offer Shares). Accordingly, the Principal Shareholder is interested in 48,000,000 Shares, representing approximately 4.92% of the issued share capital of the Company as enlarged by the issue of Offer Shares.

To the best knowledge of the Directors, the shareholding structure of the Company immediately before and after completion of the Open Offer is as follows:

	Immediately before completion of the Open Offer		Immediately after completion of the Open Offer	
	Number of Shares	%	Number of Shares	%
The Principal Shareholder (Note 1)	32,000,000	4.92	48,000,000	4.92
Bondic Holdings Limited (Note 2)	500,000	0.08	-	-
Other Shareholders	617,959,059	95.00	927,688,588	95.08
Total	650,459,059	100.00	975,688,588	100.00

Notes:

- The Principal Shareholder is wholly owned by Mr. Zhou Ling, an executive Director.
- Bondic Holdings Limited, a company wholly-owned by Ms. Lee Sin Pyung, an executive Director. On 8 March 2006, Bondic Holdings Limited sold all its 500,000 Shares in the market. As at the date of this announcement, Bondic Holdings Limited holds no Shares.

DESPATCH OF SHARE CERTIFICATES AND COMMENCEMENT OF DEALINGS IN OFFER SHARES

Certificates for the Offer Shares will be posted to those Qualifying Shareholders who have validly applied and paid for the Offer Shares and excess Offer Shares, at their own risks, on Wednesday, 15 March 2006. Dealings in the Offer Shares will commence on Friday, 17 March 2006.

GENERAL

As at the date of this announcement, the board of directors of the Company 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.

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