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**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)**

**ANNOUNCEMENT**  
**FURTHER DELAY IN DESPATCH OF CIRCULAR**

Since additional time is required to prepare the accountants' report and finalize the pro forma financial information to be included in the Circular, the Company has applied to the Stock Exchange for a waiver from strict compliance with the requirements under Rule 14.38 of the Listing Rules and the despatch of the Circular to the shareholders of the Company will be further extended to on or before 24 November 2006.

Reference is made to the announcement of the Company dated 8 September 2006 (the "Announcement") in respect of the very substantial disposal of 48% equity interest in South Sea Petroleum (Philippines) Corporation, a subsidiary of the Company, and the announcement dated 28 September 2006 (the "Delay Announcement") in respect of delay in despatch of the circular (the "Circular").

Under Rule 14.38 of the Listing Rules of the Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company is required to despatch the Circular to its shareholders with 21 days after publication of the Announcement, that is, on or before 3 October 2006.

As stated in the Delay Announcement, both the Company and its reporting accountants require additional time to prepare the pro forma financial information in relation to the very substantial disposal to be included in the Circular. The Stock Exchange has granted its approval to the Company for a waiver from strict compliance with the requirements under Rule 14.38 of the Listing Rules, and the despatch of the Circular to the shareholders of the Company has been extended to on or before 14 October 2006 (the "First Waiver Period").

Both the Company and its reporting accountants intended to include the financial statements of each of the three latest financial years in the Circular instead of an accountants' report before 3 October 2006. After becoming aware that it is a requirement under Rule 14.68(2) of the Listing Rules to include an accountants' report in the Circular during the First Waiver Period, the Company has also started the preparation of the accountants' report. The Company requires additional time for the preparation of the accountants' report and the finalization of the pro forma financial information.

In this connection, the Company has applied for a waiver from strict compliance with the requirements under Rule 14.38 of the Listing Rules, to further delay the despatch of the Circular to on or before 24 November 2006.

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

Hong Kong, 12 October 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.*

"Please also refer to the published version of this announcement in The Standard"