

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: 076)

**ISSUE OF US\$100,000,000 Nil Interest
 CONVERTIBLE DEBENTURES DUE 2012
 ANNOUNCEMENT**

Reference is made to the Company's announcement dated 28 February 2007. The Company made this announcement as per the requirements of the listing approval granted by the Stock Exchange in respect of the New Shares to be issued and allotted upon the conversion of the Debentures. Following the issue of an aggregate of 623,386,543 New Shares on 23 April 2007, 24 April 2007 and 25 April 2007 with respect to the conversion of HK\$154,400,000 (equiv. US\$19,755,569) Debentures, the cumulative amount of the New Shares issued accounted for 21.28 % of the issued share capital of the Company as at 20 April 2007, as disclosed in the previous announcement of 23 April 2007.

Reference is made to the Company's announcement dated 28 February 2007 (the "Announcement"). The Company made this announcement as per the requirements of the listing approval granted by the Stock Exchange in respect of the New Shares to be issued and allotted upon the conversion of the Debentures. Unless the context herein otherwise requires, terms used in this announcement shall have the same meanings as in the Announcement.

The Company would like to report that conversions of the Debentures were made by the Debenture Holders from 23 April 2007 to 25 April 2007 with details as follows:

Date of issue and allotment of New Shares	No. of New Shares issued	Conversion Price per Share (HK\$)	Amount of Debentures Converted (HK\$)	Outstanding Debentures after the conversion (US\$)
23 April 2007	145,228,215	0.241	35,000,000.00 (equiv. US\$4,478,681.50)	65,720,855.40
24 April 2007	145,643,153	0.241	35,100,000.00 (equiv. US\$4,491,420.20)	61,229,435.20
24 April 2007	165,200,000	0.250	41,300,000.00 (equiv. US\$5,284,776.50)	55,944,658.70
25 April 2007	167,315,175	0.257	43,000,000.00 (equiv. US\$5,500,690.80)	50,443,967.90
Total:	623,386,543	Total:	154,400,000.00 (equiv. US\$19,755,569.00)	

Changes in the issued share capital of the Company for the period of 20 April 2007 – 27 April 2007:

	Issued share capital at par value of US\$0.01 each (US\$)	Number of Issued Shares
As at 20 April 2007	29,282,583.74	2,928,258,374
Total number of New Shares issued pursuant to conversions of the Debentures for the period of 21 April to 27 April 2007	<u>6,233,865.43</u>	<u>623,386,543</u>
As at 27 April 2007	<u><u>35,516,449.17</u></u>	<u><u>3,551,644,917</u></u>

Following the issue of an aggregate of 623,386,543 New Shares on 23 April 2007, 24 April 2007 and 25 April 2007 with respect to the conversion of HK\$154,400,000 (equiv. US\$19,755,569) Debentures, the cumulative amount of the New Shares issued accounted for 21.28 % of the issued share capital of the Company as at 20 April 2007, as disclosed in the previous announcement of 23 April 2007.

With reference to the Announcement in relation to the “Effect of Conversion and Substantial Shareholder”, the Debenture Holders confirmed that, pursuant to the Subscription Agreement dated 28 February 2007, they are not holding 5% or more of the Company’s issued share capital as enlarged by the issue of the New Shares at any time, whether directly or indirectly, both before and after such conversions of the Debentures.

This announcement is only released through the web-site of The Stock Exchange of Hong Kong Limited and no publication in the newspaper is made.

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

Hong Kong, 27 April 2007

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 director.