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**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)**

**FURTHER DISCLOSURE REGARDING**  
**THE ISSUE OF HK\$171,000,000 CONVERTIBLE DEBENTURES**

Reference is made to the announcement dated 4 August 2009 regarding the issue of HK\$171,000,000 6% interest Debentures due 2012. Further information about the Convertible Debentures will be disclosed in the announcement.

(Capitalized terms used herein shall have the same meaning as used in the announcement dated 4 August 2009)

Reference is made to the announcement dated 4 August 2009 regarding the issue of HK\$171,000,000 6% interest Debentures due 2012. For the Conversion Price:

The Conversion Price shall be HK\$0.0775 (par value of the Company's Shares), which is

(i) a premium of approximately 48.03% over the closing price of HK\$0.051 per Share as quoted on the Stock Exchange on 4 August 2009, being the date of the Subscription Agreement;

(ii) a premium of approximately 55.34% over the average closing price of HK\$0.0486

per Share as quoted on the Stock Exchange over the five consecutive trading days immediately prior to 4 August 2009;

(iii) a premium of approximately 52.52% over the average closing price of HK\$0.0495 per Share as quoted on the Stock Exchange for ten consecutive trading days immediately prior to 4 August 2009.

The total gross proceeds from the subscription of the Convertible Debentures amount to HK\$171,000,000. After deducting related expenses, the net proceeds from the subscription of the Convertible Debentures amount to approximately HK\$162,400,000 and the net Conversion Price per New Share is approximately HK\$0.074.

The Conversion Price and the number of convertible Shares will be subject to adjustment (as the case may be) for capitalization issue, rights issue, sub-division or consolidation of Shares or reduction of capital, in such case, the Company shall issue further announcement regarding the adjustments as when and where necessary and appropriate.

If the number of convertible Shares to be issued, as a result of the relevant adjustment, exceeds the general mandate limit, the Company will seek for its Shareholders' approval, and a new application will be made to the Stock Exchange of the listing of, and permission to deal in, any extra convertibles Shares.

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

Hong Kong, 5 August 2009

*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.*