



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)

**CONVERSION OF SECURITIES IN RELATION TO
THE ISSUE OF US\$200,000,000 NIL INTEREST
CONVERTIBLE DEBENTURES DUE 2012
MONTHLY ANNOUNCEMENT**

Reference is made to the Company's announcement dated 4 June 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. During the month of October 2007, HK\$234,294,000 (equiv.US\$30,231,433.84) Debentures were converted and 1,519,396,560 New Shares issued pursuant to such conversions. The cumulative amount of the New Shares issued is accounted for 20.10 % of the issued share capital of the Company as at 30 September 2007.

Reference is made to the Company's announcement dated 4 June 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 during the month of October 2007 respectively 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\$)
3 October 2007	147,928,994	0.169	25,000,000.00 (equiv. US\$3,225,806.45)	113,350,919.95
25 October 2007	415,067,566	0.148	61,430,000.00 (equiv. US\$7,926,451.61)	105,424,468.34
29 October 2007	284,400,000	0.150	42,660,000.00 (equiv. US\$5,504,516.12)	99,919,952.22
29 October 2007	386,000,000	0.154	59,444,000.00 (equiv. US\$7,670,193.54)	92,249,758.68
30 October 2007	286,000,000	0.160	45,760,000.00 (equiv. US\$5,904,516.12)	86,345,242.56
Total:	1,519,396,560	Total:	234,294,000.00 (equiv. US\$30,231,433.84)	

Changes in the issued share capital of the Company for the month of October 2007:

	Issued share capital at par value of US\$0.01 each (US\$)	Number of Issued Shares
As at 1 October 2007	75,584,151.19	7,558,415,119
Total number of New Shares issued pursuant to conversions of the Debentures for the month of October 2007	15,193,965.60	1,519,396,560
As at 31 October 2007	90,778,116.79	9,077,811,679

During the month of October 2007, HK\$234,294,000 (equiv.US\$30,231,433.84) Debentures were converted and 1,519,396,560 New Shares issued pursuant to such conversions. The cumulative amount of the New Shares issued is accounted for 20.10 % of the issued share capital of the Company as at 30 September 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 4 June 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.

By order of the board of directors
South Sea Petroleum Holdings Limited
Vivian Lam
Company Secretary

Hong Kong, 31 October 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 directors.