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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)

ADJUSTMENT TO US\$100,000,000 CONVERTIBLE DEBENTURES

DUE TO

SHARE CONSOLIDATION

Reference is made to the announcement dated 9 December 2009 and the circular dated 18 December 2009 in relation to the issue of US\$100,000,000 6% interest Debentures due 2015, and the announcement dated 21 April 2010 and the circular dated 3 May 2010 that the Directors proposed to the Shareholders of the Company a proposal of Share Consolidation.

On 1 June 2010, the Shareholders passed the resolution at the extraordinary general meeting to approve the proposal of the Share Consolidation, that every fifty (50) issued and unissued shares of US\$0.01 each in the capital of the Company be consolidated into one (1) Consolidated Share of US\$0.50. The Share Consolidation is effective on 2 June 2010.

Due to the Share Consolidation, the Conversion Price of the Debentures shall be adjusted from HK\$0.0775 (or US\$0.01, the then par value of the Company's shares) to HK\$3.875 (or US\$0.50, the current par value of the Company's shares).

Application will be made to the Listing Division of the Stock Exchange for granting the listing of and permission to deal in the New Shares.

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the announcement dated 21 April 2010 and the circular dated 3 May 2010 that the Directors proposed to the Shareholders of the Company a proposal of Share Consolidation.

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Save as the Conversion Price and the number of New Shares to be issued, other terms and conditions in the Subscription Agreement remain unchanged.

Application will be made to the Listing Division of the Stock Exchange for granting the listing of and permission to deal in the New Shares.

Information of the Company

The principal activities of the Company are investment holding, and through its subsidiaries, the Company develops, explores and produces crude oil and graphite in Indonesia and China, and provides electronics manufacturing services in United Kingdom.

DEFINITIONS

“Company”	South Sea Petroleum Holdings Limited, a company incorporated in Hong Kong with limited liability and the securities of which are listed on the Stock Exchange
“Conversion Price”	HK\$3.875 (or US\$0.50, the current par value of the Company's shares after the Share Consolidation)
“Debentures”	an aggregate of US\$100,000,000 6% interest convertible debentures due 2015
“Directors”	the board of directors of the Company

“New Shares”	a maximum of 200,000,000 shares (HK\$3.875 each) issuable upon the exercise of the conversion rights attached to the Debentures
“Share Consolidation”	every fifty (50) issued and unissued shares of US\$0.01 each in the capital of the Company be consolidated into one (1) Consolidated Share of US\$0.50. The Share Consolidation is effective on 2 June 2010.
“Shareholder(s)”	holder(s) of the existing shares of the Company
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the agreement dated 9 December 2009 entered into between the Company and the Subscriber for an aggregate of US\$100,000,000 6% interest Debentures due 2015

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

Hong Kong, 2 June 2010

As at the date of this announcement, the board of directors comprises of Mr. Zhou Ling, Ms. Lee Sin Pyung and Ms. Zhang Xue being executive directors, Mr. Lu Ren Jie, Mr. Chai Woon Chew and Mr. Ho Choi Chiu being independent non-executive director.