



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. During the period from 22 March 2007 to 31 May 2007, an aggregate of 2,999,986,763 New Shares were issued and allotted with respect to the conversion of HK\$765,340,000 (equiv. US\$97,909,087.20) Debentures. The maximum of 3,000,000,000 New Shares were nearly fully issued and allotted. Under the Subscription Agreement, the Company will return the outstanding Debentures of US\$2,090,912.80 to the Debenture Holders. No more New Shares will be issued.

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.

During the period from 22 March 2007 to 31 May 2007, an aggregate of 2,999,986,763 New Shares were issued and allotted with respect to the conversion of HK\$765,340,000 (equiv. US\$97,909,087.20) Debentures. The maximum of 3,000,000,000 New Shares were nearly fully issued and allotted. Under the

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Changes in the issued share capital of the Company for the period of 21 March 2007 –31 May 2007:

| | Issued share capital at par value of US\$0.01 each (US\$) | Number of Issued Shares |
|---|---|----------------------------|
| As at 21 March 2007 | 19,723,076.36 | 1,972,307,636 |
| Total number of New Shares issued pursuant to conversions of the Debentures for the period of 22 March 2007 to 31 May 2007 | 29,999,867.63 | 2,999,986,763 |
| As at 31 May 2007 | <u>49,722,943.99</u> | <u>4,972,294,399</u> |

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

Hong Kong, 24 July 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.