

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of South Sea Petroleum Holdings Limited.



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)

ANNOUNCEMENT IN RELATION TO

CONVERTIBLE DEBENTURES

Reference is made to the announcement dated 4 April 2011 and the circular dated 18 April 2011 in relation to the issue of US\$250,000,000 3% interest convertible debentures due 2021. Pursuant to the subscription agreement dated 4 April 2011, the conversion price of the Debentures shall be the higher of (i) 90% of the average closing price of the shares of any five (5) consecutive trading days (as selected by the debenture holder) within the sixty (60) trading days immediately prior to the conversion date and (ii) the par value of the shares at US\$0.50 (equivalent to HK\$3.90), or the then effective par value at the time of conversion. A maximum of 500,000,000 new shares can be issued.

With effect of the capital reduction on 9 November 2011, the par value of the Company's share became US\$0.001, the conversion price of the Debentures shall be the higher of (i) 90% of the average closing price of the shares of any five (5) consecutive trading days (as selected by the debenture holder) within the sixty (60) trading days immediately prior to the conversion date and (ii) the current par value of the shares at US\$0.001 (equivalent to HK\$0.0078). The maximum number of new shares to be issued (500,000,000 shares) remains unchanged. If there is any change in the terms of the subscription agreement, the Company will make further announcements in due course.

Reference is made to the announcement dated 4 April 2011 and the circular dated 18 April 2011 in relation to the issue of US\$250,000,000 3% interest convertible debentures due 2021(the

“Debentures”) of South Sea Petroleum Holdings Limited (the “Company”). Pursuant to the subscription agreement dated 4 April 2011, the conversion price of the Debentures shall be the higher of (i) 90% of the average closing price of the shares of any five (5) consecutive trading days (as selected by the debenture holder) within the sixty (60) trading days immediately prior to the conversion date and (ii) the par value of the shares at US\$0.50 (equivalent to HK\$3.90), or the then effective par value at the time of conversion. A maximum of 500,000,000 new shares can be issued.

With effect of the capital reduction on 9 November 2011, the par value of the Company’s share became US\$0.001, the conversion price of the Debentures shall be the higher of (i) 90% of the average closing price of the shares of any five (5) consecutive trading days (as selected by the debenture holder) within the sixty (60) trading days immediately prior to the conversion date and (ii) the current par value of the shares at US\$0.001 (equivalent to HK\$0.0078). The maximum number of new shares to be issued (500,000,000 shares) remains unchanged. The auditors of the Company have certified the conversion price of the Debentures shall be the higher of (i) 90% of the average closing price of the shares of any five (5) consecutive trading days (as selected by the debenture holder) within the sixty (60) trading days immediately prior to the conversion date and (ii) the current par value of the shares at US\$0.001 (equivalent to HK\$0.0078). Should there be any remaining principle after the maximum number of new shares are issued, the Company shall return the remaining principle to the debenture holder after the maturity day on 4 April 2021. If there is any change in the terms of the subscription agreement, the Company will make further announcements in due course.

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.

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

Hong Kong, 18 November 2011

As at the date of this announcement, the board of directors comprises of Mr. Guan Xinmin, 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.