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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)**

**ESTABLISHMENT OF A NEW SUBSIDIARY**

On 15 September 2009, the board of directors announces that the Company will establish a new business division by incorporating a wholly owned subsidiary. The subsidiary will primarily involve in trading of mining products. The Company intends to inject HK\$20,000,000 from its working capital into the subsidiary.

**NEW SUBSIDIARY**

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**REASONS TO ESTABLISH THE GRAPHITE BUSINESS DIVISION**

Currently a subsidiary of the Company manufactures and sells graphite products in China. According to the current economic situation, the demand for mining products is growing. Establishing a new business division is in the interest of the Company and its

shareholders as a whole.

### **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 minerals, and provides electronics manufacturing services.

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

Hong Kong, 15 September 2009

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