



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)

RESIGNATION OF AUDITORS

The Directors wishes to announce that on 10 December 2007, K.M. Choi & Au Yeung Limited has tendered its resignation as auditors of the Group. The Directors are in the process of considering various firms of auditors to fill the casual vacancy arising from the resignation of K.M. Choi & Au Yeung Limited, but no decision has yet been made on the firm to be proposed for appointment. A separate announcement will be made as soon as practicable upon the appointment of a new firm of auditors of the Company by the Directors.

The board of directors (the “Directors”) of South Sea Petroleum Holdings Limited (the “Company”) wishes to announce that on 10 December 2007, K.M. Choi & Au Yeung Limited has tendered its resignation as auditors of the Company and its subsidiaries (the “Group”) for the reason that it could not agree on the proposed audit fee for the year ended 31 December 2007. K.M. Choi & Au Yeung Limited has confirmed that there were no circumstances connected with its resignation which it considered should be brought to the attention of the shareholders and creditors of the Group. The Directors also considered that there are no circumstances in respect of the change of auditors which should be brought to the attention of the shareholders of the Company.

The Directors are in the process of considering various firms of auditors to fill the casual vacancy arising from the resignation of K.M. Choi & Au Yeung Limited, but no decision has yet been made on the firm to be proposed for appointment. A separate announcement will be made as soon as practicable upon the appointment of a new firm of auditors of the Company by the Directors.

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

Hong Kong, 11 December 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.