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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)

DISCLOSEABLE TRANSACTION:

SELLING OF SHARES IN EDISON

Reference is made to the announcement dated 30 June 2009.

On 30 June 2009, the Directors of the Company announced that the Company through its subsidiary Global Select entered into an agreement with Edison to sell all of its equity interest (15%) in Edison at the original purchase price of US\$9,700,000. The purpose of this transaction is to focus on the Company's other operations in oil and graphite that are already in production stage.

Under the Listing Rules, the Transaction constitutes a discloseable transaction.

Reference is made to the announcement dated 30 June 2009.

AGREEMENT DATED 30 JUNE 2009

Parties to the Agreement:

Purchaser: Edison International Inc., a company incorporated in Cayman Islands

Vendor: Global Select Limited, a wholly owned subsidiary of the Company.

Consideration

Under the Agreement Global Select will sell all of its equity interest, i.e. 15% of the issued share capital in Edison, to Edison for a consideration of US\$9,700,000. The consideration is the original purchase price that Global Select contributed to Edison in exchange for its 15% equity interest in May of 2008. The consideration will be settled by cash.

The Transaction

Before the Transaction, Global Select is holding 15% equity interest in Edison. Edison is currently engaged in the exploration of oil and mineral resources. Immediately prior to the Transaction, the net assets of Edison amount to approximately US\$62.9 million, with a net loss of US\$1.74 million in as at 31 May 2009, and there has been no operation revenue and distribution of dividend from Edison to the Company.

Since Global Select sells the 15% equity interest for US\$9,700,000 which is the original purchase price, there is no gain/loss upon completion of the Transaction. The US\$9,700,000 consideration will be used as working capital reserve for the Company.

Reason for Selling of Shares in Edison

The purpose of this Transaction is to focus on the Company's other operations in oil

and graphite that are already at production stage. Since the current operations of Edison are still at exploration stage, and there has been no dividend distribution from Edison to the Company, the Directors (including independent non-executive directors) consider the Transaction is beneficial to the Company's business as a whole; and the selling of 15% equity interest in Edison at the original purchase price of US\$9,700,000 is fair and reasonable and are on normal commercial terms, which are in the interests of the Company and its Shareholders as a whole.

GENERAL

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

Under the Listing Rules, the Transaction constitutes a discloseable transaction.

DEFINITION

“Agreement”	the agreement entered into between the Company (through Global Select) and Edison on 30 June 2009
“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
“Directors”	the board of directors of the Company
“Global Select”	Global Select Limited, a wholly owned subsidiary of the Company
“Group”	the Company and its subsidiaries

“Edison”	Edison International Inc., a Cayman Islands company
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Transaction”	the selling of 15% equity interest in Edison by Global Select

By order of the board of directors
South Sea Petroleum Holdings Limited
Lam Lee Yu
Company Secretary

Hong Kong, 2 July 2009

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.