

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes 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.

SSP  **南海石油**
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)

TERMINATION OF SUBSCRIPTION AGREEMENT

The directors of the Company announce that the Subscription Agreement dated 22 November 2004 entered into between the Company and China Nuclear Assets Management Ltd has been terminated on 4 April 2005.

Reference is made to the announcement of the Company dated 25 November 2004 (the “Announcement”) in respect of the Subscription Agreement. Terms used herein shall have the same meanings as those defined in the Announcement unless the context requires otherwise.

As disclosed in the Announcement, the Subscriber entered into a Subscription Agreement with the Company to subscribe HK\$80,000,000 convertible debentures of the Company. The Company and the Subscriber has agreed to terminate the Subscription Agreement on 4 April 2005. Both parties agree to waive and release any and all actual or potential claims.

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

Hong Kong, 4 April 2005

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.

“Please also refer to the published version of this announcement in The Standard”