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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in South Sea Petroleum Holdings Limited or both, you should at once hand this circular together with the enclosed form of proxy (for Shareholders only) to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**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)**

**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**  
**AND**  
**NOTICE OF EXTRAORDINARY GENERAL MEETING**

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A notice convening an Extraordinary General Meeting of South Sea Petroleum Holdings Limited to be held at Unit 1, G/F., The Center, 99 Queen's Road Central, Hong Kong on 17 February 2011 at 11:00 a.m. (the "Meeting") is set out on pages 5 to 6 of this circular. Whether or not you are able to attend the Meeting, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the share registrar of the Company, Computershare Hong Kong Investor Services Limited, 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and, in any event, not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting if you so desire.

7 January 2011

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“Articles of Association”	articles of association of the Company
“Board”/“Directors”	the board of directors of the Company
“Companies Ordinance”	the Companies Ordinance (Chapter 32) of the laws of Hong Kong
“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
“Corporate Communication”	any document issued or to be issued by the Company for the information or action of holders of any of the Company’s securities, including but not limited to: (a) the directors’ report, its annual accounts together with a copy of the auditor’s report and, where applicable, its summary financial report; (b) the interim report and, where applicable, its summary interim report; (c) a notice of meeting; (d) a listing document; (e) a circular; and (f) a proxy form
“EGM”	an extraordinary general meeting to be held and convened to obtain the Shareholders’ approval of the Proposal on 17 February 2011
“Latest Practicable Date”	4 January 2011
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Shareholders”	the shareholders of the Company
“Stock Exchange”	the Stock Exchange of Hong Kong Limited

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LETTER FROM THE BOARD

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**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)**

*Executive Directors:*

Mr. Zhou Ling (*Chairman*)  
Ms. Lee Sin Pyung (*Managing Director*)  
Ms. Zhang Xue

*Registered Office:*

Unit 6605, 66/F.,  
The Center  
99 Queen's Road Central  
Hong Kong

*Independent Non-Executive Director:*

Mr. Lu Ren Jie  
Mr. Chai Woon Chew  
Mr. Ho Choi Chiu

7 January 2011

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

Reference is made to the announcement dated 30 December 2010.

The purpose of this circular is to provide you with information relating to the proposed amendments to the Articles of Association (the "Proposal") and the notice of the EGM.

**Background**

In view of the amended Rule 2.07A of the Listing Rules and the commencement of Part 6 of Companies (Amendment) Ordinance 2010 relating to the use of electronic means or website for communication with shareholders, the Board proposes that certain amendments to be made to the relevant provisions of the Company's Articles of Association to conform to such amendments to the Listing Rules and the Companies Ordinance.

The proposed amendments to the Articles of Association are to enable the Company to send or supply the Corporate Communication to the Shareholders using electronic means or by making them available on the Company's website in satisfaction of the Company's obligation to send a printed copy thereof to the Shareholders to the extent permitted under the Companies Ordinance, the Listing Rules and the Company's constitutional documents.

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## LETTER FROM THE BOARD

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### Articles to be Amended

(a) *Article 2*

By inserting the following definitions in the Article 2:

““Corporate Communication” shall mean any document issued or to be issued by the Company for the information or action of holders of any of its securities, including but not limited to: (a) the directors’ report, its annual accounts together with a copy of the auditor’s report, where applicable, its summary financial report; (b) the interim report and, where applicable, its summary interim report; (c) a notice of meeting; (d) a listing document; (e) a circular; and (f) a proxy form, within the meaning ascribed thereto under the Listing Rules;

“Electronic Means” includes sending or otherwise making available to the intended recipients of the communication in the electronic format;

“Listing Rules” means Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.”

(b) *Article 132*

The existing Article 132 reads:

“Any notice or other document (including a share certificate) may be served on or delivered to any Member by the Company either personally or by sending it through the post in a prepaid letter addressed to such Member at his registered address as appearing in the Register or by delivering it to or leaving it at such registered address as aforesaid or, in the case of any notice, by sending the same by telex, cable, facsimile or other electronic communication to the address for the time being so notified by such Member. In the case of joint holders of a share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to all the joint holders.”

By deleting the existing Article 132 in its entirety and replacing therewith the following as new Article 132:

“Except as otherwise provided in these Articles, any Corporate Communication and any notices or other documents (including a share certificate) may be served by the Company on any Member either personally or by sending it through the post in a prepaid letter addressed to such Member at his registered address as appearing in the Register or, to the extent permitted by the Companies Ordinance and the Listing Rules, by Electronic Means by transmitting it to any electronic number or address or website supplied by the Member to the Company or by placing it on the Company’s website provided that the Company has obtained either (a) the Member’s prior express positive confirmation in writing or (b)

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## LETTER FROM THE BOARD

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the Member's deemed consent, in the manner specified by the Companies Ordinance and the Listing Rules, to receive or otherwise have made available to him notices and documents to be given or issued to him by the Company by such Electronic Means, or (in the case of notice) by advertisement published in the manner prescribed under the Companies Ordinance and the Listing Rules. In the case of joint holders of a share, all notices shall be given to that holder for the time being whose name stands first in the Register and notice so given shall be sufficient notice to all the joint holders."

### **Confirmation**

Our legal advisers have confirmed that the Proposal is in compliance with the requirements of the Listing Rules and the laws of Hong Kong. The Company also confirms that there is nothing unusual about the proposed amendments for a company listed in Hong Kong.

### **EGM and Recommendation**

An EGM will be held and convened to obtain the Shareholders' approval of the Proposal on 17 February 2011. The Directors consider that the Proposal is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the special resolution as set out in the notice of EGM.

### **Responsibility Statement**

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement contained herein misleading.

By order of the board of directors  
**South Sea Petroleum Holdings Limited**  
**Zhou Ling**  
*Chairman*

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NOTICE OF EGM

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**SSP**  **南海石油**  
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**南海石油控股有限公司**  
*(Incorporated in Hong Kong with limited liability)*  
**(Stock Code: 076)**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting of South Sea Petroleum Holdings Limited (the “Company”) will be held at 11:00 a.m. on 17 February 2011 at Unit 1, G/F., The Center, 99 Queen’s Road Central, Hong Kong for the purpose of considering and if thought fit, passing, with or without modifications, the following resolution which will be proposed as a special resolution:

**SPECIAL RESOLUTION**

“**THAT**

(a) By inserting the following definitions in the Article 2:

“Corporate Communication” shall mean any document issued or to be issued by the Company for the information or action of holders of any of its securities, including but not limited to: (a) the directors’ report, its annual accounts together with a copy of the auditor’s report, where applicable, its summary financial report; (b) the interim report and, where applicable, its summary interim report; (c) a notice of meeting; (d) a listing document; (e) a circular; and (f) a proxy form, within the meaning ascribed thereto under the Listing Rules;

“Electronic Means” includes sending or otherwise making available to the intended recipients of the communication in the electronic format;

“Listing Rules” means Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

(b) By deleting the existing Article 132 in its entirety and replacing therewith the following as new Article 132:

Except as otherwise provided in these Articles, any Corporate Communication and any notices or other documents (including a share certificate) may be served by the Company on any Member either personally or by sending it through the post in a prepaid letter addressed to such Member at his registered address as appearing in the Register or, to the extent permitted by the Companies Ordinance and the Listing Rules, by Electronic Means by transmitting it to any electronic number or address or website supplied by the Member to the Company or by placing it on the Company’s website provided that the Company has obtained either (a) the Member’s prior express positive confirmation in writing or (b)

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## NOTICE OF EGM

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the Member's deemed consent, in the manner specified by the Companies Ordinance and the Listing Rules, to receive or otherwise have made available to him notices and documents to be given or issued to him by the Company by such Electronic Means, or (in the case of notice) by advertisement published in the manner prescribed under the Companies Ordinance and the Listing Rules. In the case of joint holders of a share, all notices shall be given to that holder for the time being whose name stands first in the Register and notice so given shall be sufficient notice to all the joint holders."

By Order of the Board  
**Vivian Lam**  
*Company Secretary*

Hong Kong, 7 January 2011

*Notes:*

- (i) A member entitled to attend and vote at the above Meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
- (ii) Where there are joint holders of any share of the Company, any one of such joint holders may vote at the Meeting, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holders be present at the Meeting personally or by proxy, that one of the said persons so present whose name stands first on the Register of Members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
- (iii) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of attorney or authority, must be lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited at 46/F., Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not less than 48 hours before the time appointed for holding the Meeting.