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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.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to 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 circular.

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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)**

**PROPOSALS INVOLVING**

- (1) RE-ELECTION OF RETIRING DIRECTORS**
- (2) CHANGE OF AUDITORS**
- (3) GENERAL MANDATE TO REPURCHASE SHARES**
- (4) GENERAL MANDATE TO ISSUE SHARES**
- (5) AMENDMENT TO THE ARTICLES OF ASSOCIATION**

**AND**

**NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening an Annual 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 21 May 2008 at 11:00 a.m. (the "Meeting") is set out on pages 11 to 15 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, 46/F., 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.

28 April 2008

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## DEFINITIONS

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

“Articles of Association”	the articles of association of South Sea Petroleum Holdings Limited
“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 shares of which are listed on the Stock Exchange
“Latest Practicable Date”	24 April 2008, being the latest practicable date prior to the printing of this document
“Listing Rules”	the Rules Governing the Listing of Securities on Stock Exchange
“Meeting”	the Annual General Meeting of the Company to be held at Unit 1, G/F., The Center, 99 Queen’s Road Central, Hong Kong on 21 May 2008 at 11:00 a.m., and any adjournment thereof
“Proposals”	the re-election of retiring directors, change of auditors, the granting of general mandate to repurchase and to issue shares, the extension of the general mandate and the amendment to the articles of association
“Share(s)”	ordinary share(s) of US\$0.01 each in the capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Zhou Ling (*Chairman*)

Ms. Lee Sin Pyung (*Managing Director*)

Ms. Sit Mei

*Registered Office:*

Unit 6605, 66/F

The Center

99 Queen's Road Central

Hong Kong

*Independent Non-Executive Directors:*

Mr. Lu Ren Jie

Mr. Chai Woon Chew

Mr. Ho Choi Chiu

28 April 2008

*To the Shareholders*

Dear Sir or Madam,

**INTRODUCTION**

The purpose of this circular is to provide you with details, and seek your approval at the Meeting, regarding, inter alia, the Proposals to (i) re-elect of retiring directors; (ii) change of auditors; (iii) grant general mandate enabling the Company to repurchase its own Shares (the "Repurchase Mandate"); (iv) grant general mandate enabling the Directors to issue and allot Shares (the "General Mandate"); (v) extend the General Mandate; and (vi) amend the Articles of Association.

**RE-ELECTION OF RETIRING DIRECTORS**

At the Meeting, Mr. Lu Ren Jie ("Mr. Lu"), Ms. Lee Sin Pyung ("Ms. Lee") and Mr. Chai Woon Chew ("Mr. Chai") will retire as Directors by rotation and they, being eligible, offer themselves for re-election as Directors in accordance with 81A of the Articles of Association.

Mr. Lu has been appointed as independent non-executive Directors of the Company for more than nine years. Pursuant to Appendix 14 of the Listing Rules, it is recommended any further appointment of an independent non-executive director who serves more than nine years should be subject to a separate resolution to be approved by shareholders.

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## LETTER FROM THE BOARD

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The Company has received from Mr. Lu a confirmation of independence pursuant to Rule 3.13 of the Listing Rules. Mr. Lu has not engaged in any executive management of the Group. Taking into consideration of his independent scope of works in the past years, the Directors consider Mr. Lu to be independent under the Listing Rules despite the fact that he has served the Company for more than nine years.

Particulars of Mr. Lu, Ms. Lee and Mr. Chai are set out in Appendix I of this document.

### **CHANGE IN THE COMPANY'S AUDITORS**

On 11 December 2007, K.M. Choi & Au Yeung Limited resigned as auditors of the Company and its subsidiaries because it could not agree on the proposed audit fee for the year ended 31 December 2007. K.M. Choi & Au Yeung Limited confirmed that there were no circumstances connected with its resignation which it considered should be brought to the attention of the Shareholders and auditors of the Group.

On 7 January 2008, the Board appointed JP Union & Co. as auditors to fill the casual vacancy following the resignation of K.M. Choi & Au Yeung Limited. The Directors will propose JP Union & Co. to be re-appointed by the Shareholders as auditors of the Company and its subsidiaries at the Meeting.

### **GENERAL MANDATE TO REPURCHASE SHARES**

At the last annual general meeting held on 11 May 2007, a general mandate was granted to the Directors to exercise power to repurchase Shares of the Company. Such mandate will lapse at the conclusion of the forthcoming Meeting. An ordinary resolution will be proposed at the Meeting to give a fresh mandate to the Directors to exercise the powers of the Company to repurchase Shares up to a maximum of 10 percent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the relevant resolution.

The Repurchase Mandate would then continue in force until the conclusion of the next annual general meeting unless it is renewed at such meeting or until revoked or varied by an ordinary resolution of the Shareholders of the Company in general meeting prior to the next annual general meeting.

The main features of the Listing Rules regarding share repurchases on the Stock Exchange and further details in relation to the purchases by the Company of its own Shares are contained in the Explanatory Statement set out in the Appendix II hereto.

### **GENERAL MANDATE TO ISSUE SHARES**

At the last annual general meeting held on 11 May 2007, a general mandate was given to the Directors to exercise power to issue and otherwise deal with the Shares of the Company. Such mandate will lapse at the conclusion of the forthcoming Meeting. An ordinary resolution will be proposed at the Meeting to give a fresh mandate to the Directors to (i) issue and

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## **LETTER FROM THE BOARD**

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otherwise deal with Shares of the Company up to a maximum of 20 percent of the issued share capital of the Company as at the date of passing the relevant resolution and (ii) approve the addition to the General Mandate of any Shares repurchased by the Company under the authority of the Repurchase Mandate. The Directors have no present intention to issue any new Shares under such General Mandate.

The General Mandate would then continue in force until the conclusion of the next annual general meeting unless it is renewed at such meeting or until revoked or varied by ordinary resolution of the Shareholders of the Company in general meeting prior to the next annual general meeting.

### **PROCEDURES FOR DEMANDING A POLL BY SHAREHOLDERS**

Pursuant to the Articles of Association of the Company, a poll may be demanded at any general meeting by:

- (1) the chairman of the meeting; or
- (2) at least five members present in person or by proxy and entitled to vote; or
- (3) any member or members present in person or by proxy and representing in the aggregate not less than one tenth of the total voting rights of all members having the right to attend and vote at the meeting; or
- (4) any member or members present in person or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

A person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.

### **AMENDMENT TO THE ARTICLES OF ASSOCIATION**

To cater for the increasing demand from investors holding securities in listed companies through CCASS for attending the shareholders' meetings in person or appointing proxies to vote on their behalf, listed companies whose securities were listed on the Stock Exchange of Hong Kong Limited and admitted into CCASS as Eligible Securities for deposit, clearing and settlement purposes in 1996 or thereafter are required to include in their articles of association and, where applicable, their warrant instrument (deed poll) any provisions similar to the special resolution as set out in the notice of the Meeting regarding the rights of HKSCC Nominees Limited (or any successor thereto) to appoint multiple proxies/corporate representatives prior to the admission of their securities into CCASS.

To align the articles of association of the Company with the aforesaid arrangement, the Directors propose that the Articles of Association of the Company be amended in the manner set out in the special resolution of the notice of the Meeting.

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## LETTER FROM THE BOARD

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### ANNUAL GENERAL MEETING

Notice of the Meeting is set out on pages 11 to 15 of this circular, and a form of proxy for use at the Meeting is enclosed with this circular. Whether or not you intend to be present at the Meeting, you are requested to complete the form of proxy and return it to the Company's share registrar, Computershare Hong Kong Investor Services Limited at 46/F., Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding the Meeting. The completion and delivery of the form of proxy will not preclude Shareholders from attending and voting at the Meeting in person if they so wish.

### ANNUAL REPORT

A copy of the Annual Report of the Company in respect of the year ended 31 December 2007 incorporating copies of the Audited Financial Statements and the Reports of the Directors and Auditors will be dispatched to all the Shareholders together with this circular.

### RECOMMENDATION

The Directors are of the opinion that the Proposals are in the best interests of the Company and its Shareholders and accordingly recommend that the Shareholders vote in favour of the resolutions to be proposed at the Meeting.

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

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## **APPENDIX I PARTICULARS OF DIRECTORS SUBJECT TO RE-ELECTION**

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### **1. Mr. LU Ren Jie**

Mr. LU Ren Jie, aged 73, was appointed as independent non-executive director in 1999 and is a member of the Audit Committee and the Remuneration Committee. Mr. Lu has more than 40 years' extensive experience in petroleum industry and had been responsible for numerous oilfield projects in China. He is currently an associate of the World Association of Production Science and Chairman of Shengli Branch of Society of Petroleum Engineers. Mr. Lu is a senior economist (professor grade) and was also a part time professor of Shanghai Communication University and Petroleum University.

Mr. Lu is an independent person and does not have any relationship with any director, senior management, substantial shareholders or controlling shareholders of the Company, and does not have any interest in shares of the Company within the meaning of Part XV of the Securities and Future Ordinance.

Save as disclosed above, Mr. Lu has not held any directorship in other listed public companies during the past three years.

Apart from acting as audit committee and remuneration committee member of the Company, Mr. Lu has not held any position with the Company and other members of the group of the Company.

Mr. Lu has not entered into any service contract with the Company. His emolument of HK\$156,000 for the year ended 31 December 2007 was determined by the Directors in due course with reference to his duties and responsibilities with the Company. He has not been appointed for a specific term and he is subject to retirement, and re-election in accordance with the articles of association of the Company.

Save as disclosed above, there are no other matters relating to his appointment that used to be brought to the attention of the shareholders and there is no other information which is required to be disclosed pursuant to rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

### **2. Ms. LEE Sin Pyung**

Ms. LEE Sin Pyung, aged 44, was appointed as executive director and managing director in 2002. Ms. Lee had worked for many multi-international companies and has extensive experience and exposure to international trade.

Save as disclosed above, Ms. Lee has not held any directorship in other listed public companies during the past three years.

Ms. Lee is an independent person and does not have any relationship with any director, senior management, substantial shareholders or controlling shareholders of the Company, and does not have any interest in shares of the Company within the meaning of Part XV of the Securities and Future Ordinance.

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## **APPENDIX I PARTICULARS OF DIRECTORS SUBJECT TO RE-ELECTION**

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Ms. Lee has not entered into any service contract with the Company. Her emolument of HK\$786,484 for the year ended 31 December 2007 was determined by the Directors in due course with reference to her duties and responsibilities with the Company. She has not been appointed for a specific term and she is subject to retirement, and re-election in accordance with the articles of association of the Company.

Save as disclosed above, there are no other matters relating to her appointment that used to be brought to the attention of the shareholders and there is no other information which is required to be disclosed pursuant to rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

### **3. Mr. CHAI Woon Chew**

Mr. CHAI Woon Chew, aged 50, was appointed as independent non-executive director in 2002. Mr. Chai holds a Bachelor of Laws (Hons) degree from the University of Buckingham and qualified as Barrister at Law from Lincoln's Inn, England. Mr. Chai is currently a partner of Michael Chai & Co., Advocates and Solicitors. He gained extensive experience in various industries and sits on the board of many private companies. Mr. Chai is a member of the Audit Committee and the Remuneration Committee.

Mr. Chai is an independent person and does not have any relationship with any director, senior management, substantial shareholders or controlling shareholders of the Company, and does not have any interest in shares of the Company within the meaning of Part XV of the Securities and Future Ordinance.

Save as disclosed above, Mr. Chai has not held any directorship in other listed public companies during the past three years.

Apart from acting as audit committee and remuneration committee member of the Company, Mr. Chai has not held any position with the Company and other members of the group of the Company.

Mr. Chai has not entered into any service contract with the Company. His emolument of HK\$120,000 for the year ended 31 December 2007 was determined by the Directors in due course with reference to his duties and responsibilities with the Company. He has not been appointed for a specific term and he is subject to retirement, and re-election in accordance with the articles of association of the Company.

Save as disclosed above, there are no other matters relating to his appointment that used to be brought to the attention of the shareholders and there is no other information which is required to be disclosed pursuant to rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

This Appendix II contains the particulars that are required by the Listing Rules 10.06(1)(b) to be included in an explanatory statement to accompany the notice of the Meeting at which a resolution is to be proposed in relation to the purchase by the Company of its own Shares.

This Appendix II also constitutes the memorandum of the terms of the proposed repurchase as required under Section 49BA(3) of the Companies Ordinance.

### **1. SHAREHOLDERS' APPROVAL**

The Listing Rules provide that all proposed repurchases of shares by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a general mandate to the directors of the company to make such repurchases or by specific approval of a particular transaction. The Listing Rules require an explanatory statement such as is contained herein to be sent to Shareholders to provide adequate information to enable them to decide whether to approve the grant of such a mandate.

### **2. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company was 10,972,239,359 Shares of US\$0.01 each. Subject to the passing of the relevant resolutions and on the basis that no further Shares are issued or repurchased prior to the Meeting, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 1,097,223,935 Shares representing not more than 10 percent of the issued share capital of the Company at the Latest Practicable Date.

### **3. REASONS FOR REPURCHASES**

The Directors believe that the Repurchase Proposal is in the best interest of the Company and its Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per share and will only be made when the Directors believe that such a repurchase will benefit the Company and its Shareholders.

#### 4. FUNDING OF REPURCHASES

Repurchases must be made out of funds legally available for such purpose in accordance with the Company's Memorandum and Articles of Association and the Companies Ordinance.

The Companies Ordinance provides that the amount of capital repaid in connection with a share repurchase may only be paid from the distributable profits of the Company and/or proceeds of a new issue of Shares made for the purpose of the repurchase to such extent allowable under the Companies Ordinance.

There might be a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited financial statements contained in the Annual Report for the year ended 31 December 2007 in the event that the proposed share repurchases were carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

#### 5. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange in each of the previous twelve months were as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
April 2007	0.290	0.242
May 2007	0.405	0.250
June 2007	0.415	0.340
July 2007	0.340	0.285
August 2007	0.280	0.195
September 2007	0.215	0.165
October 2007	0.189	0.150
November 2007	0.176	0.136
December 2007	0.146	0.107
January 2008	0.148	0.096
February 2008	0.130	0.102
March 2008	0.128	0.090
April 2008 (up to the Latest Practicable Date)	0.100	0.091

**6. UNDERTAKING**

The Directors have undertaken to the Stock Exchange that they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and the Companies Ordinance.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates, has any present intention to sell any Shares to the Company under the Repurchase Mandate if such is approved by the Shareholders.

No connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

**7. HONG KONG CODES ON TAKEOVERS AND MERGERS AND SHARE REPURCHASES**

If, on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Hong Kong Codes on Takeovers and Mergers ("Takeover Code"). As a result, a shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeover Code.

As at the Latest Practicable Date, Palmsville Equities Inc. is interested in 32,000,000 Shares (representing approximately 0.29% of the Company's issued share capital). Palmsville Equities Inc. is wholly and beneficially owned by Mr. Zhou Ling, the Chairman and an executive director of the Company.

In the event that the Company exercises the Repurchase Mandate in full, the aggregate interests of Mr. Zhou Ling in the Company will be increased to approximately 0.32% of the issued share capital of the Company and such increase would not give rise to an obligation to make a mandatory offer for all the issued securities of the Company required under the Takeovers Code.

The Directors have no intention to exercise the Repurchase Mandate to such an extent.

**8. SHARE REPURCHASES MADE BY THE COMPANY**

Neither the Company nor any of its subsidiaries has purchased any shares in the six months preceding the Latest Practicable Date.

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## NOTICE OF ANNUAL GENERAL MEETING

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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)**

**NOTICE IS HEREBY GIVEN THAT** an Annual General Meeting (the “Meeting”) of South Sea Petroleum Holdings Limited (“the Company”) will be held at Unit 1, G/F., The Centre, 99 Queen’s Road Central, Hong Kong on 21 May 2008, at 11:00 a.m. for the following purposes:

#### **Ordinary Business**

1. To receive and consider the Audited Financial Statements and the Reports of the Directors and Auditors for the year ended 31 December 2007.
2. (a) To re-elect the following as directors of the Company (“Directors”):
  - (1) Ms. Lee Sin Pyung as an executive Director; and
  - (2) Mr. Chai Woon Chew as an independent non-executive Director.
- (b) To authorize the board of Directors (the “Board”) to fix the remuneration of the aforesaid Directors.
3. (a) To re-elect Mr. Lu Ren Jie who has already served the Company for more than nine years as an independent non-executive Director.
- (b) To authorize the Board to fix the remuneration of the aforesaid Director.
4. To re-appoint JP Union & Co. as auditors and authorize the Board of Directors to fix their remuneration.

To consider as special business, and if thought fit, pass with or without amendments, the following resolutions as Ordinary Resolutions:

#### **Special Business**

5. **“THAT**
  - (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase shares in the capital of the Company on the Stock Exchange of Hong Kong

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## NOTICE OF ANNUAL GENERAL MEETING

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Limited (the “Stock Exchange”) or on any other exchange on which the shares of the Company may be listed and recognized by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchanged as amended from time to time, be and is hereby generally and unconditionally approved;

- (b) the aggregate nominal amount of shares which may be purchased by the Company pursuant to the approval in paragraph (a) above shall not exceed 10 percent of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution; and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:
  - (1) the conclusion of the next Annual General Meeting of the Company;
  - (2) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; and
  - (3) the revocation or variation of the authority given under this Resolution by ordinary resolution of the Company in general meeting.”

### 6. “**THAT**

- (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company, and to make or grant offers, agreements and options which might require the exercise of such power, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorize the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) aggregate nominal amount of shares allotted or agreed conditionally or unconditionally to be allotted (pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), (ii) the exercise of any option granted under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries of options to subscribe for, or rights to acquire, shares of the Company, (iii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company, or any other securities which are convertible into shares of

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## NOTICE OF ANNUAL GENERAL MEETING

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the Company, and from time to time outstanding or (iv) any scrip dividend or similar arrangement providing for the allotment of shares of the Company in accordance with its Articles of Association, shall not exceed 20 percent of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution and the said approval be limited accordingly; and

- (d) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:
- (1) the conclusion of the next Annual General Meeting of the Company;
  - (2) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; and
  - (3) the revocation or variation of the authority given under this Resolution by ordinary resolution of the Company in general meeting.

“Rights Issue” means an offer of shares or other securities open for a period fixed by the Directors of the Company to holders of shares on the Register of Members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory outside Hong Kong).”

7. **“THAT** subject to passing of the Resolution Nos. 5 and 6, the general mandate granted to the Directors of the Company to exercise the powers of the Company to allot, issue and deal with additional shares in the capital of the Company be and is hereby extended by adding to the aggregate nominal amount of shares which may be allotted or agreed conditionally or unconditionally to be allotted and issued pursuant to such general mandate the aggregate nominal amount of shares in the capital of the Company purchased by the Company pursuant to the exercise by the Directors of the Company of the powers of the Company to purchase such shares (provided that such amount shall not exceed 10 percent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution).”

To consider as special business, and if thought fit, pass with or without amendments, the following resolution as Special Resolution:

8. **“THAT** the existing Article 70A of the Article of Association be and is hereby replaced and amended in the following manner:

“Where that shareholder and/or warrant holder is a recognized clearing house (within the meaning of the Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong) or its nominee(s), it may authorise such person or persons as it thinks fit to act as

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## NOTICE OF ANNUAL GENERAL MEETING

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its representative(s) or proxy(ies) at any shareholders' meetings or any meetings of any class of shareholders and/or warrant holders provided that, if more than one person is authorised, the authorisation or proxy form must specify the number and class of shares and/or warrants in respect of which each such person is so authorised. The person so authorised will be deemed to have been duly authorised without the need of producing any documents of title, notarized authorization and/or further evidence for substantiating the facts that it is duly authorised and will be entitled to exercise the same power on behalf of the recognized clearing house as that clearing house or its nominee(s) could exercise if it were an individual shareholder and/or warrant holder of the Company.

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

Hong Kong, 25 April 2008

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## NOTICE OF ANNUAL GENERAL MEETING

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*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.