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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)

**SUPPLEMENTARY ANNOUNCEMENT
DISCLOSEABLE TRANSACTION**

Reference is made to the announcement dated 28 September 2018, that Liaoning Sinorth Resources Co., Ltd, a wholly-owned subsidiary of the Company, entered into a contract with the Transferee, that Liaoning Sinorth Resources Co., Ltd sold 25% equity interest of Shanghai Guo Xiong Development and Investment Co. Ltd, to the Transferee for RMB11,310,000.

Further information in relation to the Transaction will be supplemented in this announcement.

Reference is made to the announcement dated 28 September 2018 (the “Announcement”), that Liaoning Sinorth Resources Co., Ltd, a wholly-owned subsidiary of the Company, entered into a contract with the Transferee, that Liaoning Sinorth Resources Co., Ltd sold 25% equity interest of Shanghai Guo Xiong Development and Investment Co. Ltd (the “Target”), to the Transferee for RMB11,310,000 (the “Transaction”). Unless otherwise specified, all capitalised terms used herein shall have the same meaning ascribed to them in the Announcements.

The consideration

The consideration of RMB11,310,000, which was negotiated and agreed between the Transferee and the Company, was fully paid by the Transferee to the Company upon the signing of the Contract. The basis upon which the consideration, for both purchasing and selling of the equity interest, was determined by the registration capital of the Target. The investment in the Target began on 22 March 2018, the total purchase price paid for the Target by the Company was RMB10,100,000. The Company and the Transferee finally agreed the selling consideration to be RMB11,310,000. The gain to the Company was RMB 1,210,000. The Company will use the consideration as general working capital.

The value and the net profit of the Target

The net asset value of the Target for the year ended 31 December 2017 was RMB40,400,000.

Net Profit before and after taxation for the fiscal year of 2016 and 2017 of the Target is as follow:-

	For the year ended 31 December 2017	For the year ended 31 December 2016
<i>Profit before taxation</i>	RMB8.14 million	RMB11.80 million
<i>Profit after taxation</i>	RMB5.95 million	RMB8.82 million

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

Hong Kong, 11 October 2018

As at the date of this announcement, the board of directors comprises of Mr. Feng Zhong Yun and Ms. Zhang Xue, being executive directors; Mr. Han Zhi Jun, Mr. Lu Ren Jie, Mr. Chai Woon Chew and Mr. Ng Lai Po being independent non-executive directors.