



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 THE VERY SUBSTANTIAL ACQUISITION
and
RESUMPTION OF TRADING**

As requested by the Company, trading in shares of the Company has been suspended on the Stock Exchange with effect from 9:00 a.m. on 5 May 2016 pending release of an announcement in relation to a very substantial acquisition.

As agreed by the Company and MGL, the very substantial acquisition was terminated, and an application has been made to the Stock Exchange for resumption of trading of the Company's shares with effect from 9:00 a.m. on 13 May 2016.

At the request of South Sea Petroleum Holdings Limited (the "Company"), trading in shares of the Company has been suspended with effect from 9:00 a.m. on 5 May 2016 pending release of an announcement in relation to a very substantial acquisition.

TERMINATION OF THE VERY SUBSTANTIAL ACQUISITION

Reference is made to the announcement of the Company dated 4 April 2016 in relation to the signing of a memorandum of understanding between the Company and Madagascar Graphite Limited ("MGL"), and the announcement dated 5 May 2016 in relation to the suspension of trading in the Company's Shares on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pending for the release of an announcement of a very substantial acquisition. With a view that the sizable amount of the very substantial acquisition requires time for the transaction, it is not likely to hold and convene a shareholder's meeting of the Company as scheduled on or before 20 June 2016. MGL requested, and the Company agreed, to terminate the very substantial acquisition, both parties agreed to release each other from all and any liabilities and responsibilities.

Application has been made to the Exchange for resumption of trading of the Company's shares with effect from 9 a.m. on 13 May 2016.

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

Hong Kong, 12 May 2016

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.