

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.

ANTON 安東

安東油田服務集團
Anton Oilfield Services Group

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3337)

VOLUNTARY ANNOUNCEMENT

WINS TENDER FOR INTEGRATED FIELD MANAGEMENT SERVICE (IFMS) PROJECT AT LARGE-SCALE OILFIELD IN SOUTH IRAQ

This announcement is made by the Company on a voluntary basis.

The Board is pleased to announce that, on 13 April 2018, the Group has signed a contract with its customer, under which it will play the role of the “Contractor” taking charge of an integrated field management service (IFMS) project at a large-scale oilfield in south Iraq.

This announcement is made by Anton Oilfield Services Group (the “**Company**” and together with its subsidiaries, the “**Group**”) on a voluntary basis.

The board of directors of the Company (the “**Board**”) is pleased to announce that, on 13 April 2018, the Group has signed a contract with its customer, under which it will play the role of the “Contractor” taking charge of an integrated field management service (IFMS) project at a large-scale oilfield in south Iraq. The Group will provide the customer with integrated oilfield management services including the overall operation and maintenance of the oilfield, general petroleum engineering management such as facility maintenance, technical security management and managing third-party services for integrated well delivery services encompassing turn-key drilling and workover services etc., as well as end-to-end materials management and supporting services. The term of services will be in a 2+1 model (i.e. a two-year fixed service term upon commencement of contract, with an option

to have the contract extended for another period of one year by written notice). The contractual service fee is expected to be close to US\$100 million per annum, covering service fees for the delivery of personnel and materials needed for related oilfield production and operation, and project management fees. The project is expected to be officially commenced in July this year.

The oilfield is located 50 kilometres north of Basra in South Iraq. As a large-scale oilfield with ample reserves, it is still underdeveloped so far, offering enormous potential for further development. The oilfield was formerly managed by a large international oil company, playing the role of “Operator” of the oilfield responsible for its overall investment, development and management, and receiving production-pegged payments from the Iraqi national oil company. For this project, the Group plays the role of “Contractor”, replacing the international oil company for contract signing with the Iraqi national oil company. The “Operator” role will be handed over to the Iraqi national oil company from the international oil company then. Besides, the contract model will be converted into a “service-based” one with the service fee delinked from oil production and oil prices in general. The project is a comprehensive “asset-light” management project focusing on the provision of engineering personnel and related services with no equipment-related investment involved. It is a large-scale project offered for tender jointly by the international oil company and the Ministry of Oil of Iraq. Throughout the tendering process, the Group is the only company from China which has passed all the pre-qualifications for the project thanks to its high standards, international management system and strong comprehensive management capabilities. The Group has been highly graded in technical evaluation leveraging its solid experience in oilfield operation and maintenance projects, and eventually won out amid fierce competition among several other large international oilfield services companies in the light of its comprehensive capabilities.

The project represents a new oilfield operation model of the Iraqi government. Establishing its independent oilfield operation and management capabilities, the Iraqi government is set to change its original operating model from acquiring services through oil companies to cooperating with services companies in a direct manner. Additionally, the contract model of paying oil companies production-pegged management fees will also be switched to a service-based one which is no longer tied to oil production or oil prices for the services of integrated oilfield management provided. Under this new oilfield operation model, the Iraqi government would be able to deduct production-pegged payments to oil companies and bring down overall oilfield operation costs. Attaching great importance to this project by the Iraqi government, it will be a trend to get promoted to other oilfields going ahead if this model is successfully operated.

Leveraging this large-scale light-asset project, the Group has upgraded its business model to a new level. This business model is an “asset-light” “large-scale” “integrated operation and management” model, with operations primarily hinging upon talent, technology and resources allocation capabilities under strong market influence power. With this new model, the Group has ascended to the “top place” in the oilfield technical services industry chain, not only will it manage to offer services stemmed from general operating expenses, but also will have greater edges over winning more services arising from capital expenditures for the whole oilfield, hence further expanding its traditional services scale and augmenting the synergic growth facilitated by both its traditional and new business models. It is expected that this business model will offer huge growing opportunities in the global market, and will bring the Group enormous room for further expansion in the years to come.

By order of the Board of
Anton Oilfield Services Group
Luo Lin
Chairman

Hong Kong, 13 April 2018

As at the date of this announcement, the executive directors of the Company are Mr. LUO Lin, Mr. WU Di and Mr. PI Zhifeng, the non-executive director of the Company is Mr. John William CHISHOLM and the independent non-executive directors of the Company are Mr. ZHANG Yongyi, Mr. ZHU Xiaoping and Dato WEE Yiau Hin.