



COSL

CHINA OILFIELD SERVICES LIMITED

中海油田服務股份有限公司

(Incorporated in the People's Republic of China as a joint stock limited liability company)

2002 ANNUAL REPORT



COMPANY BACKGROUND

China Oilfield Services Limited ("COSL") is the leading oilfield services provider in the offshore China market. Its services cover each phase of offshore oil and gas exploration, development and production. Our business is divided into four core business segments: drilling services, well services, marine support and transportation services and geophysical services. COSL has been listed on the Main Board of the Hong Kong Stock Exchange since November 20, 2002.

COSL owns and operates a fleet of 12 drilling rigs, including nine jack-ups and three semi-submersibles. The demand for our drilling services has grown steadily. From the beginning of 1997 to the end of 2001, we recorded a compound annual growth rate of 17.8% in terms of the number of wells drilled. In 2002, we drilled another 57 exploration wells and 66 development wells. COSL offers a full range of well services that include wire-line logging, fluids, cementing, directional drilling and well completion.

We own and operate the largest and most diverse fleet of marine support vessels offshore China, with 54 offshore marine support vessels as of December 31, 2002, and also own and operate six oil tankers. In addition, we offer geophysical services for our offshore oil and natural gas exploration projects, including offshore seismic data collection, marine surveying and data processing. We also offer these services in other regions, including parts of North and South America, the Middle East, offshore Africa and offshore Europe.