



Company Background

China Oilfield Services Limited ("COSL" or the "Group", Stock code: 2883HK), is a leading oilfield services provider in the offshore China market. COSL's services cover each phase of offshore oil and gas exploration, development and production. Its four business segments are drilling services, well services, marine support and transportation services, as well as geophysical services. COSL's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 20 November 2002. Effective from March 26, 2004, COSL's stocks can be traded by means of American Depositary Receipts ("ADRs") at OTC (over-the-counter) market in the United States. The ticker symbol is CHOLY.

As at 31 December 2004, Total turnover for the year amounted to RMB3,824.0 million, representing an increase of 24.9% over 2003. Net profit surged 50.6% from RMB465.9 million in 2003 to reach RMB701.7 million in 2004.

As at 31 December 2004, COSL owned 13 drilling rigs, including 10 jack-ups and 3 semi-submersibles, and rented 1 jack-up. In addition, COSL owns and operates the largest and most diverse fleets of marine support vessels offshore China, including 68 vessels and 5 oil tankers, 6 seismic vessels, and 3 geotech survey vessels. It also has large arrays of modern facilities and equipment for logging, drilling fluids, directional drilling, cementing, well completion and well work-over services.

Majority of COSL's business is conducted offshore China, in North and South America, in the Middle East Asia, offshore Africa and offshore Europe. COSL and its employees worldwide are dedicated to providing premier quality services, while adhering to the highest health, safety and environmental standards. COSL has obtained the ISO9000 and ISM (International Safety Management) certifications. COSL also plans to obtain certifications under the ISO14000 environmental management standard as well as the OSHA18000 occupational health and safety standard.

2004 Corporate Milestones

March 26 - Appointed the Bank of New York as Depository for COSL's Level-I ADR program. The ticker symbol is CHOLY.

March 29 - Signed a shipbuilding contract to construct a 400-foot jack-up rig. Total consideration for the contract was approximately RMB450 million, with a construction period of 25 months. The construction of the jack-up rig is expected to be completed in the first quarter of 2006.

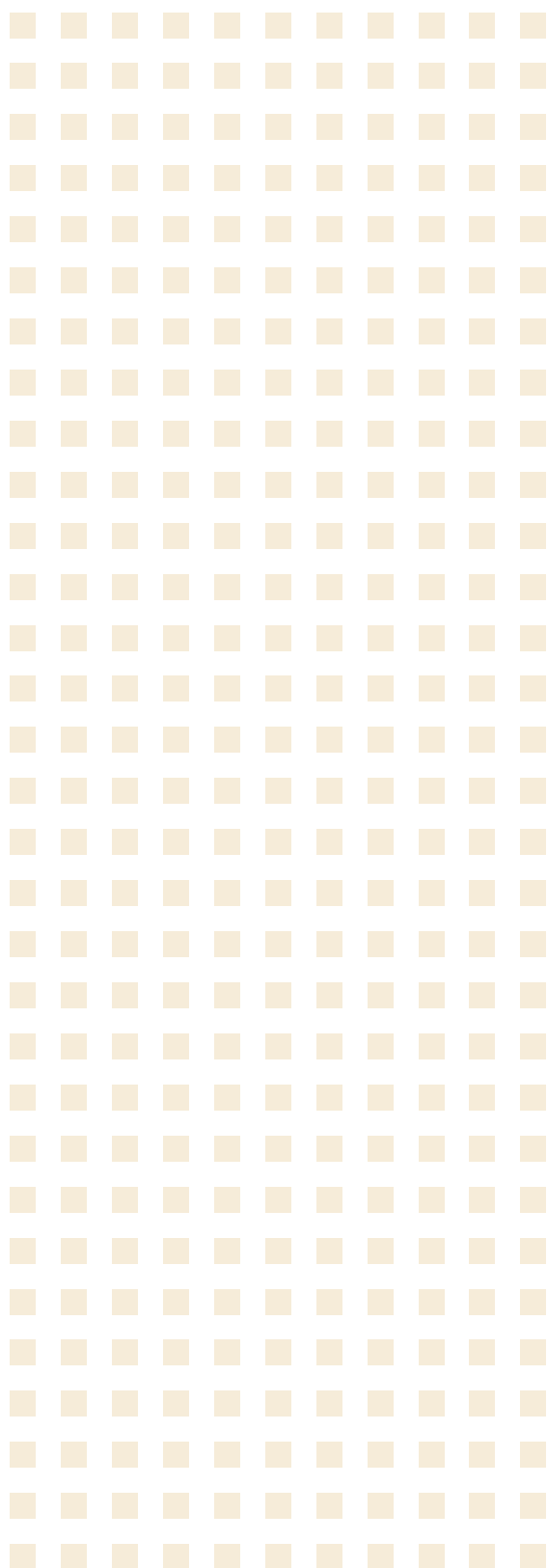
May 30 - Signed an equipment purchase contract with National Oilwell L.P., with total agreement

consideration of over US\$30 million. Under the contract, National Oilwell was responsible for providing a core drilling system for COSL's new 400-foot jack-up rig.

July 29 - Signed a contract to purchase a 350-foot second-hand jack-up rig, named COSL931, with total consideration of US\$33 million.

December - Elected as one of the 30 stocks with most investment value by the well-known S&P in 2005. The top 30 list was selected through survey among over 100 securities analysts.

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