This summary aims to give you an overview of the information contained in this prospectus. As this is a summary, it does not contain all the information that may be important to you. You should read the whole prospectus before you decide to invest in our Shares. There are risks associated with any investment. Some of the particular risks in investing in our Shares are set out in the section entitled "Risk Factors" in this prospectus. You should read that section carefully before you decide to invest in our Shares.

OVERVIEW

We are one of the leading Chinese non-state-owned providers of integrated oilfield services in the market segments we serve in China in terms of revenue in 2010, according to Spears and Associates. We are one of the few non-state-owned providers of oilfield services in China that have the capability to provide integrated oilfield services ranging from reservoir research, drilling, well completion and well testing to oil and gas production-related services (e.g., oil and gas production enhancement), well workover and other related services. We also manufacture and sell oilfield service-related products to our customers. We offer customised solutions that integrate sophisticated well design with technologically advanced tools and materials. Our solutions, which focus on increasing oil and gas productivity and extending well life in technically demanding geological conditions, have enabled us to gain and retain a stable client base.

PRC and Overseas Markets

Our operations cover an extensive geographic range in China. We are currently operating in the Tarim Oilfield, Changqing Oilfield, Daqing Oilfield, Jilin Oilfield, Jidong Oilfield, Dagang Oilfield and several other major oilfields in China. We generated a significant portion of our revenue from the Tarim Oilfield during the Track Record Period by primarily providing well completion services on high-end or critical services wells—wells that are deep, high pressure and/or high temperature. According to Spears and Associates, in the three market segments we serve (i.e., drilling, well completion and reservoir services) in China, we have an aggregate 5% share of the market that is captured by non-state-owned services providers, or a 0.5% share of the entire market, in terms of revenue in 2010.

To diversify our customer base, enhance our market competitiveness and capture business opportunities in new markets, we have strategically expanded our operations to overseas regions that are active in the global oil and gas industry, including Central Asia, North America, Southeast Asia and the Middle East. For the years ended 31 December 2008, 2009 and 2010 and the six months ended 30 June 2011, revenue generated from our overseas subsidiaries accounted for approximately 59.2%, 59.0%, 57.9% and 70.0% of our total revenue, respectively. We commenced our operations in Kazakhstan in 2002 and it has grown to become our most important overseas market. Revenue of our subsidiaries in Kazakhstan accounted for approximately 44.0% and 53.4% of our total revenue for the year ended 31 December 2010 and the six months ended 30 June 2011, respectively. We provide a wide range of oilfield services in Kazakhstan and our major customers in Kazakhstan include subsidiaries and affiliates of CNPC. According to Spears and Associates, we have a market share of approximately 13% of the oilfield services market segments we serve in Central Asia, including Kazakhstan, Turkmenistan, Uzbekistan and Azerbaijan, in terms of revenue in 2010.

Our operations are geographically diversified, with revenue of our subsidiaries in China, Kazakhstan, Canada, Singapore and other regions accounting for approximately 30.0%, 53.4%, 9.5%, 4.4% and 2.7% of our total revenue, respectively, for the six months ended 30 June 2011. Our customers in China, Kazakhstan and other overseas markets primarily include subsidiaries and affiliates of CNPC. The profit margins of our services primarily depend on a number of factors including reservoir's geological conditions, service complexity, the cost of materials and equipment and the service fees we pay to third parties. For the Track Record Period, the profit margins of our overseas subsidiaries(1) were 42.3%, 35.0%, 28.5% and 28.0%, and the profit margins of our subsidiaries in the PRC(2) were 24.1%, 18.7%, 21.0% and 19.7%, respectively. The profit margins of our overseas subsidiaries decreased during the Track Record Period primarily due to the proportional decrease of such

(1) Only taking into account the direct, attributable expenses and costs of such subsidiaries.

(2) Only taking into account the direct, attributable expenses and costs of such subsidiaries, and such direct expenses and costs do not include the inventory write-off amounting to RMB58.5 million in 2008.

subsidiaries' revenue from the reservoir services segment, which has a higher profit margin than the other two segments, i.e., drilling and well completion services.

To further develop our business and diversify our revenue sources, we intend to continue to expand our operations in the overseas markets and continue our focus on key oil and gas producing regions. While we endeavour to seek more business opportunities with local and international oil companies in our overseas markets, we will continue to provide oilfield services to Chinese state-owned oil companies, including CNPC, as they expand their overseas operations. Furthermore, we believe it is important to enhance our leading position as a specialist in certain high-end oilfield services in order to differentiate ourselves from our competitors and attract potential business opportunities, and we intend to consider acquisition opportunities that could complement our service portfolio and improve our technological expertise.

Relationship with CNPC

We derive a majority of our revenue from the provision of services to the subsidiaries and affiliates of CNPC, China's largest state-owned oil and gas company. There were over 30 subsidiaries and affiliates of CNPC that were our customers during the Track Record Period. The revenue generated from our five largest customers, all of which are subsidiaries or affiliates of CNPC, accounted for 66.6%, 72.0%, 65.1%, 70.4% and 69.7% of our total revenue for the years ended 31 December 2008, 2009 and 2010 and the six months ended 30 June 2010 and 2011, respectively. Our revenue attributable to CNPC, on a group basis, accounted for 82.3%, 90.6%, 87.1%, 88.9% and 82.3% of our total revenue for the same periods. We have entered into long-term strategic alliances with some of these major customers, including CNODC, PetroChina Tarim Oilfield Company, PetroChina Exploration & Production Company and CPTDC, all of which are subsidiaries or affiliates of CNPC. We have made and will continue to make significant efforts to reduce our business concentration on subsidiaries and affiliates of CNPC. We have expanded into certain overseas markets to provide services to other oil and gas companies. For example, we set up a branch office in Dubai in July 2010 to seek business opportunities with local and international oil and gas companies in the Middle East. We expanded into Indonesia and secured several service contracts there, including a package drilling service contract with a contract value of US$2.7 million with an Indonesian subsidiary of an Australian company in 2011. We hired a number of senior marketing managers with extensive marketing and business development experience from international oilfield services providers, to strengthen our marketing efforts targeting local and international oil and gas companies in our overseas markets. We have also placed a significant emphasis on the level of success in securing new business from local and international oil and gas companies when evaluating the performance of the staff in our overseas subsidiaries.

Service Contracts

Some of our service contracts require us to provide services to our customers for a definite term (typically one year), while others are project by project based and require us to provide services for a specific number of well operations or to provide particular services. The terms and conditions of our service contracts normally include engineering and quality requirements specified by our customers. Pricing is determined by taking into account factors such as the complexity of the services and the costs incurred in providing such services. Our customers are normally required to provide us with support and utilities such as power and water that are necessary for performing the services. Depending on specific geological and other relevant conditions and the types of services, a well operation may last from a few days to a few months and a service contract that covers a few or a few dozen well operations may last from a few weeks to a year. The service contracts may be terminated due to force majeure events or a party's failure to perform the contractual obligations. Our customers are normally required to settle the payment of our service fees within three to six months after having accepted our services, except for certain services for which our customers withhold a small portion (typically 5%) of the service fees and settle the same with us within one year after having accepted our services.

Strategic Alliance with Halliburton

We have entered into strategic alliances with several international and domestic oilfield services providers, including Halliburton, one of the largest diversified oilfield services companies in the world with a significant presence in a number of product and services lines in various regions. According to Spears and Associates, Halliburton's market share in 2010 in the drilling, well completion and reservoir services segments is estimated to be approximately 35%-45%, 30%-40% and 25%-35%, respectively, in regions covering Central Asia, the Middle East and the Far East, and Halliburton captured 1.8% of the drilling, well completion and reservoir services in China in 2010. Although Halliburton's market share in China is not substantial, we believe that our collaboration with them in China is beneficial to us and enhances our competitiveness in this market given their proven expertise in providing high-end oilfield services.

Intellectual Property

We possess advanced service technologies and expertise, which we have developed through years of operations in the oil and gas industry. We place a strong emphasis on research and development to ensure that we continue to possess advanced technologies critical to maintain our competitiveness. Through our research and development efforts, we have successfully improved some of our service techniques. For example, we have been continuously improving the functionality, efficiency and other features of our PPS series of electronic pressure gauges for monitoring well pressure with high precision. These gauges are widely applied in well testing operations worldwide. Currently, it is one of the few models of pressure gauges in the world that can operate reliably for an extended period of time under extreme downhole conditions at temperatures as high as 200°C. As at the Latest Practicable Date, we held 30 patents and had 11 patent applications pending approval in China.

Financial Information

For the years ended 31 December 2008, 2009 and 2010 and for the six months ended 30 June 2010 and 2011, our revenue was RMB663.9 million, RMB911.5 million, RMB1,050.4 million, RMB392.0 million and RMB408.5 million, respectively. For the same periods, our operating profit was RMB146.7 million, RMB153.1 million, RMB180.9 million, RMB58.5 million and RMB68.6 million, respectively, while our net profit attributable to equity holders of the Company was RMB95.3 million, RMB84.8 million and RMB119.5 million, RMB38.9 million and RMB47.2 million, respectively.

The following table sets forth the geographical breakdown of our revenue for the periods indicated[(1)]:

	Year ended 31 December						Six months ended 30 June			
	2008		2009		2010		2010		2011	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000 (unaudited)	%	RMB'000	%
PRC	270,796	40.8	373,735	41.0	441,847	42.1	160,818	41.0	122,674	30.0
Kazakhstan	263,487	39.7	357,776	39.3	462,137	44.0	148,376	37.9	218,309	53.4
Canada	129,589	19.5	177,636	19.5	91,375	8.7	47,253	12.1	38,719	9.5
Singapore	—	—	2,333	0.2	40,549	3.9	30,107	7.7	17,917	4.4
Others	—	—	46	0.0	14,524	1.3	5,425	1.3	10,863	2.7
Total	663,872	100.0	911,526	100.0	1,050,432	100.0	391,979	100.0	408,482	100.0

Note:

(1) Our revenue is from (a) the provision of services and (b) the trading of tools and equipment, as well as from manufacturing, sale and leasing of products:

(a) revenue from the provision of services is categorised in the locations either where the actual services are rendered or where our contracting subsidiary is incorporated. Such revenue represented approximately 85.5% of our revenue for the six months ended 30 June 2011; and

(b) revenue from the trading of tools and equipment and from manufacturing, sale and leasing of products is categorised in the locations where our contracting subsidiary is domiciled and where management's decision relating to the underlying contract was made. Such revenue represented approximately 14.5% of our revenue for the six months ended 30 June 2011.

Our revenue from all individual markets increased from 2008 to 2010, except for revenue from Canada, which decreased from RMB177.6 million in 2009 to RMB91.4 million in 2010. The decrease was primarily due to the fact that our Canadian subsidiaries, which had revenue of RMB86.4 million in 2009 from the trading of equipment and tools had no such revenue in 2010 as we moved the sourcing function for our trading business to Singapore in 2010. We did this for (i) tax efficiency purposes (see "History, Reorganisation and Group

Structure—Reorganisation—(7) Exclusion of four operating BVI companies and restructuring of accounts payables to the BVI Companies") and (ii) sourcing efficiency purposes as Singapore is an international oil trading hub and oil refining centre[1] and many oilfield services equipment and tools suppliers, particularly Halliburton, have manufacturing centres in Singapore. Consequently, revenue of RMB40.5 million from the trading of equipment and tools in 2010 was recorded as the revenue of our subsidiary in Singapore. Our trading business customers primarily include oil companies in China and Kazakhstan who occasionally need oilfield services equipment and tools for their oilfield operations. Our trading business largely depends on specific requests of our customers and as a result, revenue from the trading business may fluctuate significantly from time to time.

The total revenue of our subsidiaries in Kazakhstan increased from RMB148.4 million for the six months ended 30 June 2010 to RMB218.3 million for the six months ended 30 June 2011, primarily due to the fact that the demand for our services from our customers in Kazakhstan continued to increase as they expanded exploration activities into new areas and took various measures to maintain or increase production volume.

Oilfields and Customers

The following table sets forth a summary of oilfields where we have significant operations, our revenue attributable to such oilfields during the Track Record Period and our major customers in these oilfields for the year ended 31 December 2010.

Oilfields	**Year Ended 31 December**			**Six months ended 30 June**		**Number of Customers/ Names of Major Customers for the Year Ended 31 December 2010**
	2008	**2009**	**2010**	**2010**	**2011**	
	(RMB in million)			**(unaudited)**		
Major oilfields						
Oilfields in Kazakhstan	263.5	357.8	462.1	148.4	218.3	• Number of customers: 21 • CNPC-International Aktobe Petroleum • FIAL Liability Partnership • Sagiz Petroleum Company • JSC PetroKazakhstan Kumkol Resources • JSC CNPC-AiDanMunai • Buzachi Operating Ltd. • KazGerMunai LLP JV
Tarim Oilfield	102.3	116.6	305.0	134.7	105.5	• Number of customers: 3 • PetroChina Tarim Oilfield Company (中國石油天然氣股份有限公司塔里木油田分公司)
Other oilfields						
Oilfields in Turkmenistan	49.6	117.1	63.6[3]	44.1	15.1	• Number of customers: 3 • CPTDC
Changqing Oilfield	—[1]	13.5	25.0	—[2]	—[2]	• Number of customers: 1 • CNPC Changqing Oilfield Company (中國石油長慶油田分公司)
Oilfields in Sichuan	30.3	9.2	21.5	8.1[2]	—[2]	• Number of customers: 4 • PetroChina Southwest Oil and Gas Field Company (中國石油天然氣股份有限公司西南油氣田分公司)
Oilfields in Indonesia	—[1]	—[1]	14.5	7.7	10.6	• Number of customers: 3 • PETROCHINA • CNOOC-COSL[4]

(1) Due to its stable business environment and strategic location, Singapore has become one of Asia's major energy hubs. According to Singapore Energy Market Authority, Singapore is one of the largest oil refining centres in the world, and is the largest oil trading hub in Asia.

Oilfields	Year Ended 31 December 2008	2009	2010	Six months ended 30 June 2010	2011	Number of Customers/ Names of Major Customers for the Year Ended 31 December 2010
	(RMB in million)			(unaudited)		
Daqing Oilfield	2.4	—(5)	10.7	4.5(2)	0.5(2)	• Number of customers: 3 • Well Testing & Perforating Services of Daqing Oilfield Co., Ltd. (大慶油田有限責任公司試油試采分公司), • Research Institute of Oil Production Engineering of Daqing Oilfield Co., Ltd. (大慶油田有限責任公司採油工程研究院)
Xinjiang Oilfield	0.4	10.7	10.5	—(2)	0.5(2)	• Number of customers: 2 • Petroleum Administration Bureau of Xinjiang Uygur Autonomous Region (新疆維吾爾自治區石油管理局)
Jilin Oilfield	14.9	2.0(5)	9.5	1.0(2)	1.5(2)	• Number of customers: 2 • Jilin Oilfield Import and Export Co., Ltd. (吉林油田進出口有限公司), • PetroChina Jilin Oilfield Company (中國石油天然氣股份有限公司吉林油田分公司)
Jidong Oilfield	52.3	9.1(6)	7.2	—(2)	1.1(2)	• Number of customers: 1 • PetroChina Jidong Oilfield Company (中國石油天然氣股份有限公司冀東油田分公司)
Dagang Oilfield	—(5)	—(5)	5.2	0.2(2)	2.0(2)	• Number of customers: 2 • CNPC Bohai Drilling Engineering Company Limited (中國石油集團渤海鑽探工程有限公司), • Bohai Drilling Engineering—Downhole Technical Service Co., Ltd. (渤海鑽探工程有限公司井下技術服務公司)
Northwest Oilfield	10.4	17.6	3.9(5)	2.8	0.3(2)	• Number of customers: 2 • Northwest Bureau of China Petroleum and Chemical Corporation (中國石油化工股份有限公司西北局)

Notes:

(1) We did not carry out any operations in this oilfield during the year.

(2) We generally provide fewer services in the first half of a year and occasionally we provide no services in some oilfields in the first half of a year. Therefore, we may have lower or no revenue in the first half of a year.

(3) We secured a well completion services subcontract with a contract value of RMB117.1 million in 2009. Most of the revenue from the subcontract was recognised in 2009 and 2010 (with a higher amount recognised in 2009).

(4) We leased oilfield equipment (which can be used both for onshore and offshore oilfield services purposes) to CNOOC in 2010 and 2011. We did not provide any offshore oilfields services during the Track Record Period and we currently have no plans to expand into offshore oilfield services.

(5) We primarily provide high-end gas well completion services in this oilfield and the demand of our services was limited and variable during the Track Record Period. In light of its small contribution to our revenue and variable and limited demand of our services, we selectively pursue business opportunities at this oilfield and recorded declining or no revenue from this oilfield during this period.

(6) Our revenue from this oilfield decreased significantly in 2009 primarily because an expected discovery of oil reserves in this oilfield did not materialise. As a result, the demand of our services at this oilfield decreased significantly. We performed certain oilfield services relating to this expected discovery in 2008 and therefore recorded a larger amount of revenue in that year.

Our revenue from oilfields in Kazakhstan and the Tarim Oilfield, from which we generated in aggregate more than 70% of our revenue in 2010, increased during the Track Record Period. Based on the current production rates and commercial reserves, the Tarim Oilfield has an estimated reserve life of over 20 years, and the oilfields we primarily serve in Kazakhstan have an estimated average reserve life of over 15 years, according to Spears and Associates. Our revenue from other oilfields, such as Daqing Oilfield and Jilin Oilfield, which are not our primary markets, constituted a smaller portion of our revenue and fluctuated during the Track Record Period primarily because most of our services in these oilfields were high-end gas well completion services and the demand for these services was limited and variable. In light of their limited contribution to our revenue as well as the variable and limited demand for our services in these oilfields, we only selectively pursue business opportunities in these oilfields and may have recorded little or no revenue from some of these oilfields during certain periods within the Track Record Period.

Inventory

Our inventory level is affected by a number of factors and reflect our business model, including among others (i) a majority of our revenue is derived from oilfields outside China, particularly oilfields in Kazakhstan, and we source most of the inventory for these oilfields from China, and it typically requires two or more months to transport the relevant inventory to these oilfields; (ii) we provide services at various oilfields across geographically dispersed regions and we are required to keep an appropriate level of inventory for and close to each of these oilfields in which we operate; (iii) a significant portion of our services require us to prepare materials and tools in advance (while other services providers may only offer services that do not require them to prepare materials and tools in advance) and (iv) we generally provide more services in the second half of the year. Based on the above, we have adopted an inventory management policy, which we believe is appropriate for our business, to maintain an adequate level of inventory in order to deliver our services effectively. As such, our inventory levels may be higher than other oilfield services providers who provide services primarily in China, or in oilfields which are more geographically concentrated, or primarily provide services that require them to prepare little or no materials and tools in advance. As we perform more services in the second half of the year, we maintain a relatively high level of inventory at the end of the first half of the year. See "Risk Factors—Risks Relating to Our Business and Industry—We have relatively high inventories and inventory turnover days and some of our inventories ordered for a particular project are not easily transferable to other projects and may be subject to write-off if the inventories are not fully utilised," "Business—Inventory" and "Financial Information—Discussion of Certain Balance Sheet Data—Inventory."

Liquidity Management

To maintain an adequate level of liquidity, we review and analyse our inventory, accounts payable, accounts receivable and cash on a monthly basis, aim to match our accounts receivable with and accounts payable and obtain bank borrowings if required. We also actively manage our inventory as part of our efforts to maintain adequate liquidity for our business. See "Business — Inventory" for details of our efforts to manage our inventory.

Due to the seasonality of our business where more services are typically provided in the second half of the year, our cash flow from operations is generally lower in the first half of the year. In the first half of 2011, our cash flow from operations was further impacted by a one-off tax payment of approximately RMB21.0 million in Canada in connection with our voluntarily disclosed tax liabilities. See "Financial Information—Discussion of Certain Key Income Statement Items—Income tax expense." To enhance our liquidity management, particularly in the first half of a year, we plan to increase the usage of bank acceptance bills in the payment of our accounts payable and are currently in discussions with several banks on financing based on service contracts we have signed with our customers. In addition, we may seek financing from banks based on letters of credit we receive from our trading business.

Our Business Operations in the PRC and Kazakhstan

Our business operations in the PRC and Kazakhstan primarily differ in the following ways:

Business model. We provide integrated oilfield services covering drilling, well completion and reservoir services in both China and Kazakhstan. In China, we focus on well completion services, particularly well completion services on high-end or critical wells, and drilling services. In Kazakhstan, we focus on drilling services and reservoir services.

Inventory. We procure the majority of our raw materials from China for our operations in China and Kazakhstan. Procurement of raw materials from China for our operations in Kazakhstan requires a longer delivery period due to the distance between China and Kazakhstan and custom procedures, which contributed to a relatively higher inventory turnover days of our Kazakhstan operations.

Market access license. Most of our customers in China, including subsidiaries and affiliates of CNPC, issue their own market access licenses for certain services to qualified oilfield services providers based on their standards of service quality, experience, capability and expertise. There is no similar practice in Kazakhstan. For more details of our market access licenses in China, see "Business—Market Access Licenses in the PRC."

Labour. To satisfy local requirements in Kazakhstan, we maintain a certain ratio between the number of employees we hire from Kazakhstan and those we hire from outside Kazakhstan. There is no similar labour requirement under PRC laws.

We have a proven track record in conducting business in both China and Kazakhstan. By understanding the differences between these two markets, we are able to identify and capture local market opportunities in both China and Kazakhstan, maintain and develop local customers, better execute our business strategy in each market and meet the local compliance requirements in both China and Kazakhstan.

OUR STRENGTHS

We believe that our competitive strengths include the following:

- Strong market position as one of the leading Chinese non-state-owned providers of integrated oilfield services
- Extensive experience and proven track record in overseas operations
- Solid customer base and strategic alliances with key customers and a leading international oilfield services provider
- Advanced technologies, dedicated technological expertise and strong research and development capabilities
- Experienced and stable management team within the oilfield services industry

OUR STRATEGIES

We aim to become a leading China-based international oilfield services provider. We plan to achieve this goal through the following strategies:

- Continue to expand our overseas market operations
- Expand our ability to provide integrated services and solutions in order to gain market share and capture new opportunities
- Continue to strengthen our relationships with major PRC oil and gas companies and further expand our strategic alliance with international oilfield services providers
- Continue to strengthen our research and development capabilities and develop specialised industry-leading services
- Pursue acquisition opportunities to achieve our business development goals

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

You should read the summary historical consolidated financial information below in conjunction with Appendix I—"Accountant's Report" which has been prepared in accordance with IFRS. Operating results in any historical period may not be indicative of the results that may be expected in any future period.

Consolidated Income Statements

	Year ended 31 December			Six months ended 30 June	
	2008	2009	2010	2010	2011
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Revenue[1]	663,872	911,526	1,050,432	391,979	408,482
Other gains/(losses), net[2]	18,169	(44,630)	4,206	(46)	(4,964)
Operating costs					
Material costs	(193,874)	(273,814)	(264,852)	(101,046)	(98,898)
Employee benefit expenses	(99,088)	(154,629)	(208,952)	(77,461)	(91,784)
Operating lease expenses	(17,910)	(27,623)	(36,400)	(14,464)	(18,241)
Transportation costs	(33,655)	(35,577)	(51,228)	(23,126)	(24,508)
Depreciation and amortisation	(18,519)	(26,854)	(31,542)	(15,446)	(18,981)
Technical service expenses[3]	(15,777)	(90,990)	(139,410)	(48,348)	(32,596)
Impairment loss of assets	(58,536)	—	—	—	(1,283)
Others	(97,990)	(104,324)	(141,321)	(53,512)	(48,675)
	(535,349)	(713,811)	(873,705)	(333,403)	(334,966)
Operating profit	146,692	153,085	180,933	58,530	68,552

	Year ended 31 December			Six months ended 30 June	
	2008	2009	2010	2010	2011
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Finance income	665	278	339	234	152
Finance costs	(6,087)	(5,582)	(5,689)	(1,855)	(3,681)
Finance cost, net	(5,422)	(5,304)	(5,350)	(1,621)	(3,529)
Profit before income tax	141,270	147,781	175,583	56,909	65,023
Income tax expense	(45,926)	(62,978)	(56,140)	(17,976)	(18,663)
Profit for the year/period	95,344	84,803	119,443	38,933	46,360
Attributable to:					
Equity holders of the Company	95,344	84,803	119,509	38,944	47,241
Non-controlling interests	—	—	(66)	(11)	(881)
	95,344	84,803	119,443	38,933	46,360

Notes:

(1) Our revenue increased from RMB663.9 million for the year ended 31 December 2008 to RMB911.5 million for the year ended 31 December 2009, representing an increase of RMB247.7 million, or 37.3%, and further increased to RMB1,050.4 million for the year ended 31 December 2010, representing an increase of RMB138.9 million, or 15.2%. The increase in 2009 was primarily due to the growth of our drilling services and the increase in 2010 was primarily due to our business growth and overall expansion of our service portfolio. Our revenue increased from RMB392.0 million for the six months ended 30 June 2010 to RMB408.5 million for the six months ended 30 June 2011, representing an increase of RMB16.5 million, or 4.2%. The increase in our revenue was primarily due to the increase from our reservoir and drilling services from the six months ended 30 June 2010 to the six months ended 30 June 2011.

(2) We had net other gains of approximately RMB18.2 million for the year ended 31 December 2008, net other losses of approximately RMB44.6 million for the year ended 31 December 2009 and net other gains of approximately RMB4.2 million for the year ended 31 December 2010. Our net other losses in 2009 were primarily due to foreign exchange losses resulting from the appreciation of the value of the USD against the Tenge, in which certain accounts payable of our subsidiaries in Kazakhstan were denominated. Our net other losses were approximately RMB5.0 million in the six months ended 30 June 2011, while our net other losses were approximately RMB46,000 in the six months ended 30 June 2010. Our net other losses for the six months ended 30 June 2011 increased significantly primarily due to foreign exchange losses resulting from the appreciation of the Canadian Dollar and the RMB against our USD-denominated accounts receivable.

(3) Our technical service expenses increased from approximately RMB15.8 million for the year ended 31 December 2008 to approximately RMB91.0 million for the year ended 31 December 2009, representing an increase of RMB75.2 million, or 476.7%, and further increased to RMB139.4 million for the year ended 31 December 2010, representing an increase of RMB48.4 million, or 53.2%. The substantial increase in 2009 was primarily due to an increase of approximately RMB54.6 million in fees incurred for services subcontracted to Halliburton, particularly for FMPD and geosteering services which we subcontracted to Halliburton in the Tarim Oilfield in 2009. The increase in 2010 was primarily due to an increase in sidetracking services, fracturing services and geosteering services subcontracted to independent third parties such as Halliburton in Kazakhstan and China. Our technical service expenses were approximately RMB32.6 million in the six months ended 30 June 2011, representing a decrease of RMB15.8 million, or 32.6%, from RMB48.3 million in the six months ended 30 June 2010. The decrease was primarily due to a decrease in the services we undertook to provide, particularly the FMPD services, geosteering drilling and coil-tubing hydraulic fracturing services that we subcontract to Halliburton.

Consolidated Balance Sheets

	As at 31 December			As at 30 June
	2008	2009	2010	2011
	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS				
Non-current assets				
Property, plant and equipment	145,422	150,065	196,433	217,191
Intangible assets	243	118	760	644
Deferred income tax assets	25,341	32,412	31,826	39,431
Prepayments and other receivables	2,959	1,832	7,156	9,019
	173,965	184,427	236,175	266,285
Current assets				
Inventories	166,932	193,863	211,065	265,686
Trade and notes receivables[1]	294,068	340,294	445,142	339,901
Prepayments and other receivables	37,233	37,436	95,888	87,019
Restricted bank deposits	1,922	12,455	10,694	2,446
Cash and cash equivalents	106,920	106,512	166,721	83,246
	607,075	690,560	929,510	778,298
Total assets	781,040	874,987	1,165,685	1,044,583
EQUITY				
Share capital	57	68	68	68
Other reserves	28,756	63,937	313,330	151,426
Currency translation difference	(42,148)	(43,534)	(15,228)	(16,367)
Retained earnings	343,920	426,610	303,837	341,570
Equity attributable to the Company's equity holders	330,585	447,081	602,007	476,697
Non-controlling interests	—	—	(57)	27,809
Total equity	330,585	447,081	601,950	504,506
LIABILITIES				
Non-Current liabilities				
Deferred income tax liabilities	1,060	434	434	56
Current liabilities				
Borrowings	105,346	60,000	159,975	292,216
Trade payables[2]	109,668	108,947	269,210	188,721
Accruals and other payables	118,215	108,076	61,114	37,744
Income tax liabilities	116,166	150,449	73,002	21,340
	449,395	427,472	563,301	540,021
Total liabilities	450,455	427,906	563,735	540,077
Total equity and liabilities	781,040	874,987	1,165,685	1,044,583
Net current assets	157,680	263,088	366,209	238,277
Total assets less current liabilities	331,645	447,515	602,384	504,562

Notes:

(1) Our trade and notes receivables increased from RMB294.1 million as at 31 December 2008 to RMB340.3 million as at 31 December 2009 and further to RMB445.1 million as at 31 December 2010 primarily due to the growth of our business. Our trade and notes

receivables decreased to RMB339.9 million as at 30 June 2011 primarily because a large portion of our service fees that were recognized in the second half of 2010 were settled by our clients in the first half of 2011.

(2) Our trade payables increased from RMB108.9 million as at 31 December 2009 to RMB269.2 million as at 31 December 2010, primarily due to (i) the fact that certain accounts payable that used to be inter-company debt owed to certain BVI affiliates became accounts payable to related parties when such BVI affiliates were excluded from our Group (for further details, please see "History, Reorganisation and Group Structure—Reorganisation—(7) Exclusion of the four operating BVI companies and restructuring of accounts payables to the BVI Companies") and (ii) a significant increase in the purchase of materials, property and equipment and in technical service fees in 2010 in line with the growth of our business. Our trade payables decreased to RMB188.7 million as at 30 June 2011, primarily because we settled the accounts payables owed to such BVI affiliates in the first half of 2011.

PROFIT FORECAST FOR THE YEAR ENDING 31 DECEMBER 2011

All figures in this table are based on the assumption that the Over-allotment Option is not exercised.

Forecast consolidated profit attributable to equity shareholders of our Company for the year ending 31 December 2011[(1)]	RMB177.0 million (equivalent to approximately HK$217.1 million)
Unaudited pro forma forecast earnings per Share[(2)]	RMB0.13 (equivalent to approximately HK$0.16)

Notes:

(1) The bases and assumptions on which the above profit forecast has been prepared are set out in Appendix III to this prospectus. Our Directors have prepared the forecast consolidated profit for the year ending 31 December 2011 attributable to the equity shareholders of the Company based on the audited consolidated results of our Group for the six months ended 30 June 2011, the unaudited consolidated results of the Group based on management accounts of our Group for the three months ended 30 September 2011 and a forecast of the consolidated results of our Group for the remaining three months ending 31 December 2011. The forecast has been prepared on a basis consistent in all material aspects with the accounting policies presently adopted by our Company as set out in Note 3 of Section II in Appendix I to this prospectus.

(2) The unaudited pro forma forecast earnings per Share is calculated by dividing the forecast consolidated profit attributable to equity shareholders of the Company for the year ending 31 December 2011 by 1,335,000,000 Shares assumed to be issued and outstanding following the completion of the Global Offering and Capitalisation Issue and assuming the Over-allotment Option is not exercised. The 1,335,000,000 Shares following the completion of the Global Offering and Capitalisation Issue, is calculated based on 100,000,000 Shares that are currently issued and outstanding, 900,000,000 Shares to be issued pursuant to the Capitalisation Issue and 335,000,000 Shares to be issued pursuant to the Global Offering on an assumption that the Global Offering and Capitalisation Issue were completed on 1 January 2011.

OFFERING STATISTICS

All statistics in this table are based on the assumption that the Over-allotment Option is not exercised.

	Based on an Offer Price of HK$1.23 per Share	**Based on an Offer Price of HK$1.63 per Share**
Market capitalisation[(1)]	HK$1,642 million	HK$2,176 million
Prospective price/earnings multiple on a pro forma fully diluted basis[(2)]	7.6 times	10.0 times
Pro forma adjusted net tangible asset value per Share[(3)]	HK$0.70	HK$0.80

Notes:

(1) The calculation of market capitalisation is based on 1,335,000,000 Shares (including 335,000,000 Shares to be issued in the Global Offering) that are expected to be outstanding immediately after the Global Offering.

(2) The calculation of the prospective price/earnings multiple on a pro forma fully diluted basis is based on the forecast earnings per Share on a pro forma fully diluted basis at the respective Offer Prices of HK$1.23 per Share and HK$1.63 per Share.

(3) The pro forma adjusted net tangible asset value per Share is arrived at after the adjustments referred to in the section entitled "Financial Information—Unaudited Pro Forma Adjusted Net Tangible Assets" on page 195 of this prospectus and on the basis of 1,335,000,000 Shares in issue at the respective Offer Prices of HK$1.23 per Share and HK$1.63 per Share.

DIVIDENDS AND DIVIDEND POLICY

The declaration, payment and amount of dividends in the future will be subject to the discretion of the Board and will depend on our results of operations, cash flows, financial condition, statutory and regulatory restrictions on the payment of dividends by us, future prospects and other factors that our Directors may consider relevant. Holders of our Shares will be entitled to receive such dividends pro rata according to the number of Shares they hold.

Dividends may be paid only out of our distributable profits as permitted under the relevant laws. To the extent profits are distributed as dividends, such portion of profits will not be available to be reinvested in our operations. There can be no assurance that we will be able to declare or distribute any dividend in the amount set out in any plan of the Board or at all. During the Track Record Period, our Company did not pay any dividends.

USE OF PROCEEDS

We estimate that the aggregate net proceeds to our Company from the Global Offering (after deducting underwriting fees and estimated expenses in connection with the Global Offering payable by us and assuming that the Over-allotment Option is not exercised and an Offer Price of HK$1.43 per Offer Share, being the midpoint of the indicative offer price range stated in this prospectus) will be approximately HK$414.2 million. We currently intend to apply such net proceeds for the following purposes:

- approximately 35%, or HK$145.0 million, for purchasing manufacturing equipment for our oilfield services lines, including approximately RMB100 million for fracturing equipment and the remaining for drilling rigs, directional drilling equipment and coil-tubing equipment;
- approximately 20%, or HK$82.8 million, for acquisition of selected potential oilfield services or related businesses targets to expand or supplement our existing service portfolio. We will from time to time review available acquisition opportunities and where appropriate, may start to approach relevant targets. As of the Latest Practical Date, we have identified a few potential acquisition targets that we believe may expand or supplement our service portfolio, but we have not entered into any binding agreement and it is uncertain as to whether we will be able to complete any such acquisition;
- approximately 20%, or HK$82.8 million, to repay our outstanding bank loans, including a drawdown of US$10.0 million under a bridge term facility with CITIC Bank International Limited. See "Financial Information—Indebtedness—Subsequent changes;"
- approximately 15%, or HK$62.1 million, to enhance our research and development capabilities and to construct manufacturing facilities in the Tanggu district of Tianjin and Singapore; and
- not more than 10%, or HK$41.4 million, for additional working capital.

To the extent our net proceeds are either more or less than expected, we will adjust our allocation of the net proceeds for the above purposes on a pro rata basis.

Any additional net proceeds that we would receive from any exercise at any price within the stated offer price range, in full or in part, of the Over-allotment Option may be applied in the manner and the proportions stated above. The additional net proceeds that we would receive if the Over-allotment Option is exercised in full is approximately HK$71.9 million, assuming an Offer Price of HK$1.43 per Share, being the mid-point of the Offer Price range of HK$1.23 to HK$1.63 per Share. In the event the Over-allotment Option is exercised in full, and the Offer Price is fixed at the higher end or lower end of the Offer Price range, the net proceeds of the Global Offering (including the proceeds from the exercise of the Over-allotment Option) will increase or decrease by approximately HK$77.1 million or HK$77.1 million, respectively.

To the extent that our net proceeds are not immediately used for the above purposes and to the extent permitted by the relevant laws and regulations, we intend to deposit the net proceeds into short-term interest-bearing deposits and/or money market instruments.

We will make an appropriate announcement if there is any change to the above proposed use of net proceeds from the Global Offering.

RISK FACTORS

Risks Relating to Our Business and Industry

- A prolonged decline in or substantial volatility of oil and gas prices could adversely affect the demand for our services and products.
- Our businesses involve inherent risks and occupational hazards, which could harm our reputation, subject us to liability claims and cause us to incur substantial costs.
- We rely on a limited number of major customers for a substantial portion of our revenue.
- We face risks associated with sales of our services and products in overseas markets, and if we are not able to effectively manage these risks, our ability to manage and grow our business abroad will be limited.
- Changes in, expiration or termination of, arrangements with Halliburton or other strategic partners could have a material adverse impact on our business operations.
- We mainly purchase from a small group of suppliers, and any disruption in their supply may harm our business.
- We have relatively high level of inventories and inventory turnover days and some of our inventories ordered for a particular project are not easily transferable to other projects and may be subject to write-off if the inventories are not fully utilised.
- Our outstanding trade receivables and the turnover days of our trade receivables have been relatively high.
- Our industry has experienced a shortage of technical experts and experienced management. Any difficulty we experience in recruiting and retaining such personnel could adversely affect our business.
- In line with the general market practice, we generally do not have long-term commitments from our customers for the provision of services or products.
- Although we maintain insurance coverage as required by the laws in countries where we operate, we do not have any product liability, business interruption or litigation insurance coverage for our operations.
- We may not be able to grow successfully through future acquisitions.
- We may not be able to procure or lease equipment from suppliers on acceptable terms or in a timely manner.
- We face intense competition in our industry, and failure to compete effectively may adversely affect our business and prospects.
- We face risks associated with the market access licences certified by our customers in China, and if we are not able to effectively manage the risks, our business operations will be adversely affected.
- There is no guarantee that we will generate sufficient cash flow from our operations in the future.
- Our operation and development depend on key members of our management, the loss of any of whom could disrupt and adversely affect our business operations and prospects.
- If we fail to develop or adopt new exploration and production technologies, our business and competitiveness may be harmed.
- The results of our operations are subject to seasonal fluctuations.
- Failure to protect our intellectual property rights may materially and adversely affect our competitive position and operations and we may be exposed to infringement or misappropriation claims by third parties.

- We are required to comply with various environmental, health and safety laws and regulations, the compliance with which may be onerous or expensive.
- Our employees and local business partners could engage in corrupt or other improper conduct that could harm our reputation and business.
- Disruptions in the global financial markets could affect availability of funds for borrowing and have a material adverse impact on our financial condition, results of operations and cash flows.
- We may be subject to potential tax liability of certain BVI companies that used to be part of our Group.
- Our Controlling Shareholders have the ability to exercise substantial control over us, which allows them to influence our business in ways which may not be in our or our other Shareholders' best interests.
- We may be unable to prevent possible sales of our products and services to countries, governments, entities, or persons targeted by United States economic sanctions.
- Our business may be affected by financial, geo-political and general economic events and circumstances prevailing from time to time in the Middle East.
- The information publicly disclosed by us in connection with the Global Offering or subsequently as a public company may be used by our customers against us.

Risks Relating to Business Operations in China

- Changes in the PRC's political, economic and social conditions, laws, regulations and policies may have an adverse effect on us.
- The PRC's legal system embodies uncertainties that could adversely affect our business and results of operations.
- The determination of our tax resident status in the PRC could generate unfavourable tax consequences and adversely affect our cash flow, results of operations and financial condition.
- Withholding tax on dividends received by our Company and Shareholders may be increased.
- Offshore companies may be required to pay income tax on capital gains from the transfer of equity of its PRC subsidiaries.
- Changes in tax incentive policies may affect our business, financial condition and results of operations.
- We provide our services and sell our products in overseas markets. Fluctuations in the value of the RMB may have a material adverse effect on our business, financial condition and results of operations.
- Government control of foreign currency conversion may affect the value of your investment.
- It may be difficult to effect service of process upon us or our Directors who live in the PRC or to enforce against us or them in the PRC judgments obtained from non-PRC courts.
- An outbreak of Severe Acute Respiratory Syndrome (SARS), Avian Flu (H5N1), Influenza A (H1N1) or any other similar epidemic may, directly or indirectly, adversely affect our operating results and the price of our Shares.
- Our corporate structure may restrict our ability to receive dividends from, and transfer funds to, our PRC operating subsidiaries, which could restrict our ability to act in response to changing market conditions in a timely manner.

Risks Relating to Our Operations in Kazakhstan

- Political or economic instability in Kazakhstan or in Central Asia generally could have an adverse effect on our business and results of operations.

- Legislation in Kazakhstan may be subject to conflicting interpretations, which may have adverse consequences on our business.
- The laws and regulations of Kazakhstan relating to subsoil use are still developing, and uncertainties in such laws and regulations may have a material adverse effect on our customers and in turn could adversely affect our business.
- Adverse developments in Kazakhstan's economy or fluctuations in the value of the Tenge could adversely affect our business.
- The Kazakhstan economy is highly dependent on oil exports. Accordingly, the Kazakhstan economy and our business may be affected by oil price volatility.

Risks Relating to the Global Offering

- There has been no prior public market for our Shares.
- The trading volume and share price of the Shares may fluctuate.
- Future sales, disposals or other transfers of our Shares by our current shareholders in the public market could adversely affect the prevailing market price of our Shares.
- Shareholders' interests may be diluted as a result of additional equity fund-raising.
- Historical dividends may not be a good indication of future dividends.
- Certain facts, forecasts and other statistics relating to the PRC, the PRC economy, the oil and gas industry and the oilfield services industry contained in this prospectus have not been independently verified.