

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

GENERAL

The following table sets forth information regarding our current Directors and members of our senior management:

<u>Name</u>	<u>Age</u>	<u>Date of Appointment</u>	<u>Position</u>
Executive Directors			
Wang Guoqiang (王國強)	48	12 June 2008	Executive Director and Chairman
Wu Dongfang (吳東方)	39	12 June 2008	Executive Director
Liu Ruoyan (劉若岩)	63	1 December 2011	Executive Director
Independent non-executive Directors			
Chen Chunhua (陳春花)	47	1 December 2011	Independent non-executive Director
Wu Kwok Keung Andrew (胡國強)	57	1 December 2011	Independent non-executive Director
Wan, Kah Ming (溫嘉明)	40	1 December 2011	Independent non-executive Director
Senior management			
Wang Guoqiang (王國強)	48	1 December 2011	Chief executive officer
Wu Dongfang (吳東方)	39	1 December 2011	Deputy general manager
Liu Ruoyan (劉若岩)	63	1 December 2011	Deputy general manager
Shen Yi (沈翼)	56	1 December 2011	Deputy general manager
Sun Siu Kong (孫小綱)	53	1 December 2011	Chief financial officer
Rion, Roger Dale	61	1 December 2011	Deputy general manager
Wang Jinbo (王金波)	36	1 December 2011	Deputy general manager
Zhao Feng (趙峰)	45	1 December 2011	Deputy general manager
Wang Fan (王璠)	40	1 December 2011	Deputy general manager
Deng Qi, Charles (鄧其)	57	1 December 2011	Deputy general manager
Kee Yong Wah (紀永華)	51	1 December 2011	Deputy general manager
Ong Cheng Suah Danny (王清山)	51	1 December 2011	Deputy general manager

BOARD OF DIRECTORS

Our Board consists of six Directors, comprising three executive Directors and three independent non-executive Directors. The powers and duties of our Board include convening shareholders' meetings and reporting the Board's work at shareholders' meetings, implementing resolutions passed at shareholders' meetings, determining our business plans and investment plans, formulating our annual budget and final accounts, formulating our proposals for profit distributions and for the increase or reduction of registered capital as well as exercising other powers, functions and duties as conferred by our Memorandum and Articles of Association. All our Directors have entered into service contracts with our Company.

Save as disclosed in this prospectus, none of our Directors has any other directorships in listed companies during the three years immediately prior to the date of this prospectus.

Executive Directors

Wang Guoqiang (王國強), aged 48, is an executive Director and the chief executive officer of our Company and the chairman of the Board who is responsible for the overall operation and management of our Group. Mr. Wang has over 26 years of experience in the petroleum industry. Prior to joining our Group in September 1999, Mr. Wang served as a department manager of Beijing Hua You Development Service Company (Beijing) (北京華油開發服務有限公司(北京)) in charge of production, technology and management from August 1993 to September 1999. From July 1984 to August 1993, he served as an engineer of Huabei Petroleum Testing Company (Langfang, Hebei) (華北石油測試公司(河北廊坊)), a subsidiary of CNPC, in charge of product design and research and development mainly relating to electromanometers and absorbers. He obtained a diploma in field machinery from North China University of Petroleum Employees (華北石油職工大學) (currently known as Beijing Institute of Economic Management (北京經濟管理職業學院)) in July 1984. Mr. Wang is an engineer of

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field machinery. Mr. Wang also obtained an MBA degree from The National University of Singapore in April 2007. Mr. Wang is one of our Controlling Shareholders.

Mr. Wang is our Chairman and chief executive officer. With extensive experience in the petroleum industry, our Board considers that vesting the roles of chairman and chief executive officer in the same person is beneficial to the business prospects and management of our Group. The balance of power and authority is ensured by the operation of the senior management and our Board, which comprise experienced and high calibre individuals. Our Board currently comprises three executive Directors (including Mr. Wang) and three independent non-executive Directors and therefore has a fairly strong independence element in its composition.

Wu Dongfang (吳東方), aged 39, is an executive Director and a deputy general manager of our Company who is responsible for business development of our Group. Mr. Wu has over 19 years of experience in the petroleum industry. Prior to joining our Group in December 1993, Mr. Wu served as an assistant engineer of China Petroleum Huabei Oil Field Testing Company (中國石油華北油田測試公司), a subsidiary of CNPC, primarily responsible for maintenance and calibration of downhole electron pressure measuring instruments and meters from March 1991 to November 1993. Mr. Wu obtained a bachelor's degree in electronic instrument and measuring technology from Xi'an Petroleum College (西安石油學院), China in July 1991 and an EMBA degree from Tsinghua University (清華大學), China in February 2006. Mr. Wu is one of our Controlling Shareholders.

Liu Ruoyan (劉若岩), aged 63, is an executive Director and a deputy general manager of our Company who is responsible for marketing of well drilling and workover business and management of production and operations. Mr. Liu has approximately 37 years of experience in the petroleum industry. Prior to joining our Group in July 2008, Mr. Liu served as the general manager of Sino-Kazakhstan Greatwall Drilling Co., Ltd. (中哈長城鑽井有限責任公司), a subsidiary of CNPC, in charge of marketing and project operations management involving drilling and workover business in Kazakhstan from November 1999 to December 2006. From March 1996 to October 1999, he served as the general manager and a member of the committee of the Communist Party of China of No. 2 Well Drilling Company of North China Petroleum Administrative Bureau (華北石油管理局鑽井二公司), a subsidiary of CNPC, in charge of management of production technologies and operations. From May 1994 to March 1996, he served as the executive deputy general manager of No. 2 Well Drilling Company of North China Petroleum Administrative Bureau in charge of human resource management finance and planning. From April 1990 to April 1994, he served as a deputy manager of No. 2 Well Drilling Company of North China Petroleum Administrative Bureau in charge of production, logistics, procurement and materials supply. From November 1988 to March 1990, Mr. Liu served as the chief commander of Jidong Front Line of No. 2 Well Drilling Company of North China Petroleum Administrative Bureau in charge of overall management of production and operations. From September 1984 to October 1988, he served as a team leader and well drilling engineer of No. 2 Well Drilling Company of North China Petroleum Administrative Bureau in charge of production management. From March 1974 to August 1984, Mr. Liu served as a technician of North China Petroleum Campaign Headquarters (華北石油會戰指揮部), a subsidiary of CNPC, responsible for technical work and operation of the control centre. From July 1972 to February 1974, he served as an assistant technician of the well drilling team of the Geophysical Prospecting Bureau of the Ministry of Fuel and Chemical Industry of the PRC (中華人民共和國燃料化學工業部) responsible for technical work. Mr. Liu obtained a diploma in petroleum management and engineering from Fushun Petroleum College (撫順石油學院), China in July 1984. He also obtained a bachelor's degree in economic management from the Party School of the Central Committee of the Communist Party of China (中共中央黨校) in December 1997.

Independent non-executive Directors

Chen Chunhua (陳春花), aged 47, was appointed as an independent non-executive Director of our Company on 1 December 2011. She has approximately 25 years of experience in academic education and practice in corporate operations and business management. Ms. Chen has been a professor and a tutor of doctoral students in the Business Administration School of South China University of Technology (華南理工大學) since July 1986. From March 2003 to December 2004, she served as the president of Shandong Liuhe Company Limited (山東六和集團有限公司) in charge of overall operations and development. Ms. Chen is currently an independent non-executive director of each of Welling Holding Limited (formally known as Hualing Holdings Limited), a listed company on the Main Board (stock code: 382), Merchant Funds Management Co., Ltd.

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(招商基金管理公司) and Foshan Shunde Rural Commercial Bank Company Limited (順德農村商業銀行有限公司). Ms. Chen obtained a bachelor's degree of engineering in radio technology from South China Institute of Technology (華南工學院) in June 1986. She obtained a master's degree in business administration from The National University of Singapore in May 2000. Ms. Chen became a post-doctoral candidate in the Business Administration School of Nanjing University (南京大學) in September 2005.

Wu Kwok Keung Andrew (胡國強), aged 57, was appointed as an independent non-executive Director of our Company on 1 December 2011. Mr. Wu had served Ernst & Young for over 32 years before retiring from the firm in January 2010. He had been a partner since 1993. He served as the managing partner of the Beijing office from 1997 to 2000, the Quality & Risk Management Leader of the China firm of Ernst & Young in 2004 and 2005, managing partner of Assurance and Advisory Business Services (“AABS”) for Greater China from 2005 to 2008, and the Far East Area managing partner of AABS in 2006 and 2007. Mr. Wu became a member of the management committee of the China firm in 2005 and was appointed as a member of the China Business Board in 2006. He was the regional managing partner of Hong Kong and Macau from July 2008 to December 2009. Mr. Wu graduated from the University of Hong Kong with a bachelor's degree in science in 1974. He is a fellow of the Association of Chartered Certified Accountants, United Kingdom and an associate of the Hong Kong Institute of Certified Public Accountants.

Wan, Kah Ming (溫嘉明), aged 40, was appointed as an independent non-executive Director of our Company on 1 December 2011. He has over 16 years of experience in legal practice focusing on China inbound and outbound investment, finance, mergers and acquisitions and restructuring. Mr. Wan has been the Solicitor Principal of Leung & Wan Solicitors since October 2001. He has also been the Executive Chairman of Boen Capital Ltd. (邦溫資本有限公司), Boen Resources Ltd. (邦溫資源有限公司) and Boen Land Ltd. (邦溫建地有限公司) since May 2006, December 2007 and June 2008, respectively. Mr. Wan served as a Consultant of Chan & Chiu Solicitors (陳彼得趙國榮律師行) from January 1998 to September 2001 and an Assistant Solicitor of S.H. Chan & Co. (陳淑雄律師行) from June 1994 to December 1997. Mr. Wan was admitted as a Solicitor to the High Court of Hong Kong in 1996 and to the Supreme Court of England & Wales in 2000. He is the member of The Law Society of Hong Kong and The Chartered Institute of Arbitrators. Mr. Wan has been a China-Appointed Attesting Officer by the Ministry of Justice, PRC (中國司法部委託公證人) since April 2009. He is currently one of the Conveners of the China Committee of the Hong Kong General Chamber of Commerce, an Adjudicator of the Obscene Articles of Tribunal of Hong Kong, an Adjudicator of the Registration of Persons Ordinance of Hong Kong, a Director of the China International Council for the Promotion of Multinational Corporations (中國國際跨國公司促進會), a member of the International Institute for Strategic Studies (國際戰略研究所) and a Director of the China Industrial Overseas Development & Planning Association (中國產業海外規劃和發展協會). Mr. Wan received his bachelor's degree in laws and postgraduate certificate in laws from the University of Hong Kong in 1993 and 1994, respectively.

Please refer to the section headed “Statutory and General Information—Further Information about our Directors, Substantial Shareholders, Senior Management and Staff” in Appendix VI to this prospectus for details of our Directors' interests in our Shares (within the meaning of Part XV of the SFO), particulars of our Directors' service agreements and Directors' remuneration.

Save as disclosed in this prospectus, each of our Directors has confirmed that there are no other matters relating to his/her appointment as a Director that need to be brought to the attention of our Shareholders and there is no other information in relation to his/her appointment which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules. Save as disclosed above, none of our Directors has been a director of other listed entities for the three years immediately preceding the date of this prospectus.

SENIOR MANAGEMENT

For details of Mr. Wang, Mr. Wu and Mr. Liu Ruoyan's background, please refer to the paragraph headed “—Board of Directors — Executive Directors” above.

Shen Yi (沈翼), aged 56, is a deputy general manager of our Company. Ms Shen joined us in September 2001. She is primarily responsible for financial management. Ms. Shen has approximately 37 years of experience

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in finance. She was a lecturer at Central University of Finance and Economics (中央財經大學) in China from July 1974 to September 2001. Ms. Shen obtained her certificates of Chinese certified public accountant and Chinese certified tax agent in June and December 1999, respectively. She also became a member of The China Certified Tax Agents Association (中國註冊稅務師協會). Ms. Shen obtained her bachelor's degree in economics from Central University of Finance and Economics (中央財經大學) in July 1983.

Sun Siu Kong (孫小綱), aged 53, is the chief financial officer of our Company. Mr. Sun joined us in March 2008. He is primarily responsible for the financing and restructuring of our Group. Mr. Sun has approximately 25 years of experience in investment, corporate finance and corporate management. He worked in China Investment Corporation (中國投資有限責任公司) primarily responsible for supervising and coordinating among the functional departments to complete the chief investment officer's assignments from November 2007 to February 2008. Mr. Sun served as the assistant to the chairman and the general manager of the Beijing subsidiary of China International Fund (中國國際基金) in charge of investment and management of projects in African and Asian countries from February 2006 to November 2007. He served in various positions in China Scientific International Trust and Investment Company (中國科技國際信托投資有限責任公司) responsible for operations of Beihai New Century High Technology Industrial Park (北海新世紀高科技產業城), financial and industrial assets in South China and corporate finance from May 1993 to February 2006. Mr. Sun established Microstep, Inc., a company primarily engaged in the export of electronic screens and other computer-related products as a co-founder in August 1991, and worked at Microstep, Inc. from August 1991 to January 1993. He served as an intern in the New York office of Debevoise & Plimpton LLP from June 1986 to June 1988 focusing on securities, mergers and acquisitions and bankruptcy. Mr. Sun obtained his bachelor's degree in political economics from Beijing Economic College (北京經濟學院) in the PRC in June 1983. He studied at Financial Research Institute of the People's Bank of China (中國人民銀行總行金融研究所) in international finance from September 1983 to April 1986. He also obtained his master's degree in U.S. economic law from the Law School of New York University in February 1988.

Rion, Roger Dale, aged 61, is a deputy general manager of our Company. Mr. Rion joined us in April 2010. He is primarily responsible for our well completion business. Mr. Rion has over 30 years of experience in the petroleum industry. Prior to joining us, he served as the general manager of the Beijing branch office of Halliburton Energy Services, Inc. in charge of global business development from March 2002 to March 2010. Mr. Rion was a director of the global headquarters of Halliburton Energy Services, Inc. in Houston, Texas, in charge of global business development and direct sales from June 2000 to March 2002. Mr. Rion served as a global marketing manager, and a direct sales manager in charge of global business development, of the completion products business unit of Halliburton Energy Services, Inc. in Dallas, Texas from June 1993 to April 1995 and from May 1995 to April 2000, respectively. He was also a core member of the strategic management team during the same period. Mr. Rion served as an account manager to Shell International Petroleum Maatchappij BV (SIPM) in the Otis engineering business unit of Halliburton Energy Services, Inc. in Den Haag, the Netherlands from August 1990 to May 1993. Mr. Rion served as a regional sales manager in the Otis engineering business unit of Halliburton Energy Services, Inc. in London, England in charge of sales in Europe and Africa from August 1988 to July 1990. He served as a product manager in the Otis engineering business unit of Halliburton Energy Services, Inc. in Dallas, Texas in charge of subsurface safety and flow control technologies from June 1981 to July 1988. Mr. Rion was granted the patent of submersible pump safety systems by the Patent and Trademark Office of the U.S. in December 1986. Mr. Rion obtained his bachelor's degree in science from McNeese State University, Lake Charles, Louisiana in December 1972. He completed the courses of advancement of technology marketing program of the Technical Marketing Society of America in 1988. Mr. Rion completed the courses of the Halliburton Strategic Marketing Program from the College of Business Administration of Texas A&M University in October 1993. He completed the courses of the senior management development program of the Halliburton Energy Research Center in 2002.

Wang Jinbo (王金波), aged 36, is a deputy general manager of our Company. Mr. Wang Jinbo joined us in November 2004. He is primarily responsible for marketing and business development. Mr. Wang has over 13 years of experience in corporate management. He served as a technician and a deputy director of the exchange centre of the Xinjiang subsidiary of China Unicom Telecommunications Corporation Ltd. (中國聯合網絡通信股份有限公司) primarily responsible for maintenance of equipment in the exchange centre from 1998 to 2000. He served as a deputy manager, a manager and the manager of the major client department of

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China Unicom Telecommunications Corporation Ltd. (中國聯合網絡通信股份有限公司) primarily responsible for maintenance of digital communication equipment and networks from 2000 to 2004. Mr. Wang obtained his bachelor's degree in communication engineering from Northern Jiaotong University (北方交通大學) (currently known as Beijing Jiaotong University (北京交通大學) in China in July 1998. He obtained his master's degree in management from BI Norwegian School of Management in August 2005.

Zhao Feng (趙峰), aged 45, is a deputy general manager of our Company. Mr. Zhao joined us in January 1999. He is primarily responsible for business development and management in Northern America and Singapore. He has approximately 25 years of experience in the petroleum industry. Mr. Zhao served as a reservoir engineer in Shell Canada Ltd. primarily responsible for geological and production data gathering, reservoir characterisation study and production planning and ultimate recovery study on gas fields from May to August 1998. He served as a reservoir research engineer in the Langfang Branch of Research Institute of Petroleum Exploration and Development China National Petroleum Corporation (中國石油天然氣總公司石油勘探開發研究院廊坊分院) focusing on oil-gas field exploration from August 1986 to October 1995. Mr. Zhao obtained his bachelor's degree in petroleum engineering from Southwest Petroleum Institute (西南石油學院) in China in July 1986. He obtained his master's degree in chemical and petroleum engineering from The University of Calgary, Canada in November 2002. Mr. Zhao obtained his master's degree in business administration from the Fuqua School of Business of Duke University in the U.S. in December 2009.

Wang Fan (王璠), aged 40, is a deputy general manager of our Company. Mr. Wang joined us in December 2004. He is primarily responsible for operation and management of our subsidiaries in East China. Mr. Wang has over 19 years of experience in marketing and management. Prior to joining our Group, he served as a deputy general manager in Changchun Aohua Group Company of Jilin Province (吉林省長春市澳華集團公司) from July 1997 to November 2004 primarily responsible for sales and marketing. Mr. Wang served as the manager of the marketing department in Canada Sunwing Energy Co., Ltd. (加拿大皇朝能源有限公司) from April 1996 to June 1997 primarily responsible for sales and marketing. He served as an account manager in Beijing Inter Tech Computer Co., Ltd. (北京英特泰克計算機有限公司) from November 1993 to March 1996 primarily responsible for sales and marketing. Mr. Wang served as the manager of the technology department at Beijing Wanda Computer Development Co., Ltd. (北京萬達計算機開發公司) from October 1992 to October 1993 primarily responsible for sales and marketing. Mr. Wang obtained his diploma in marketing from Shanxi Electronic Information Specialised Institute (陝西電子信息專修學院) in China in July 1997.

Deng Qi, Charles (鄧其), aged 57, is a deputy general manager of our Company. Mr. Deng joined us in February 2011. He is primarily responsible for mergers and acquisitions. Mr. Deng has approximately 28 years of experience in banking, corporate finance, securities and business management. Prior to joining our Group, he served as the managing director of Starcapital Corporation (斯凱(北京)投資諮詢有限公司) from 2005 to 2010, the vice president of Beijing Enterprises Holdings Limited from 2001 to 2005, the general manager of China Securities (International) Limited (華夏證券(國際)有限公司) from 1996 to 2000, and an executive director of Yoshiya International Corporation, Limited (慶屋國際有限公司) from 1994 to 1996. Mr. Deng also worked at ING Bank from 1992 to 1994, Indosuez Asia Limited (惠嘉融資亞洲有限公司) from 1990 to 1992, and CITIC Group (中國中信集團公司) from 1984 to 1990. He graduated from Beijing Foreign Studies University (北京外國語大學) in July 1977 and obtained a post graduate degree in management from University of Lausanne, Switzerland in October 1983.

Kee Yong Wah (紀永華), aged 51, is a deputy general manager of our Company. Mr. Kee joined us in May 2011. He is primarily responsible for business development and management in new markets and integrated management of new and existing markets. Mr. Kee has more than 27 years of experience in the petroleum and gas industry. Prior to joining our Group, he served as the China general manager in Smith International Inc. from March 2010 to November 2010 and was primarily responsible for the overall development and operation of the drilling services, completion and production business in China. Mr. Kee served in various positions (including global national account manager and senior business development manager) of Halliburton International Inc. from September 2005 to March 2010 where he was primarily responsible for overall development of all products and services lines in China. Mr. Kee also served as a Far East business development manager of Halliburton International Inc. from August 2002 to September 2005 and was primarily responsible for completion business in the PRC, Japan, Taiwan and South Korea. He also served as a technical advisor and the account representative of

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Halliburton Energy Services, Inc. in Carrollton, Texas from August 1998 to July 2002 where he was primarily responsible for completion and sand control project development in the Far East. Mr. Kee served in various positions in technology, application and operations of Halliburton Services (Malaysia) Sdn. Bhd. in Kuala Lumpur from August 1984 to July 1998. Mr. Kee was the main author or co-author of four articles published by the Society of Petroleum Engineers in 2002, 2006 and 2010. He was also the key professional introducing dual-trip multi-zone and single-trip multi-zone sand control technology system into the development of Bohai Bay Oilfield in China. Mr. Kee completed various Halliburton technical courses including Halliburton Business Leadership Development Program and Halliburton Financial Leadership for Non-Financial Leaders Program of Mays Business School of Texas A&M University in February 2005 and August 2007, respectively.

Ong Cheng Suah Darry (王清山), aged 51, is a deputy general manager of our Company. Mr. Ong joined us in May 2011. He is primarily responsible for technology and production of downhole completion equipment. Mr. Ong has over 30 years of experience in the petroleum and gas industry. Prior to joining our Group, he served as a vice president of Zhejiang WeiQiXin Petroleum Machinery Co. Ltd. (浙江惟其信石油機械有限公司) from February 2010 to March 2011 where he was primarily responsible for setting up global operations and offices and business development. Mr. Ong served as the regional manager of Smith International Inc. in Beijing, China from August 2007 to February 2010 and was primarily responsible for setting up operations and offices and business development in China. He served in various positions (including customer service coordinator, senior technical tool specialist, sales manager, operations manager and business development manager) of Baker Hughes Inc. from June 1980 to July 2007. Mr. Ong was awarded the Baker Hughes Core Values Reward and Recognition Program Award by Baker Hughes Asia Pacific and the Special Award for Biggest Single Contract by Baker Oil Tools in June 2003 and November 1999, respectively. He obtained the Singapore-Cambridge General Certificate of Education in December 1977. Mr. Ong obtained a certificate in purchasing and store management from the Chartered Institute of Purchasing & Supply in Stamford, Lincolnshire, U.K. in January 1985. He obtained a certificate in life insurance from Singapore Insurance Institute in December 1993. Mr. Ong also obtained a certificate in Business Code of Conduct & FCPA from Baker Hughes Legal Resources University in June 2002.

COMPANY SECRETARY

MOK Ming Wai (莫明慧), aged 40, is an Associate Director of KCS Hong Kong Limited, a corporate secretarial and accounting services provider in Hong Kong. Ms. Mok has over 15 years of professional and in-house experience in the company secretarial field. She worked for 8 years in the Corporate Services Division of KPMG Hong Kong starting in 1994. She subsequently worked for a Hong Kong Main Board listed company and a leading international insurance organisation as the assistant company secretary. Prior to joining KCS Hong Kong Limited, Ms. Mok acted as the company secretary for a group of two Hong Kong Main Board listed companies (i.e. HKC (Holdings) Limited (stock code: 190) and Hong Kong Energy (Holdings) Limited (stock code: 987)). She currently acts as the sole/joint company secretary for Shanghai Pharmaceuticals Holding Co., Ltd. (stock code: 2607), Huaneng Renewables Corporation Limited (stock code: 958), Hongguo International Holdings Limited (stock code: 1028), Tenfu (Cayman) Holdings Company Limited (stock code: 6868) and China Hanking Holdings Limited (stock code: 3788). Ms. Mok is an associate member of the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators in the United Kingdom.

AUDIT COMMITTEE

We have established the Audit Committee pursuant to a resolution of our Directors passed on 1 December 2011 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C3 of the Code on Corporate Governance Practices, as set out in Appendix 14 to the Listing Rules. The Audit Committee consists of three independent non-executive Directors, namely Mr. Wu Kwok Keung Andrew, an independent non-executive Director with the appropriate professional qualifications who shall serve as chairman of the committee, Ms. Chen Chunhua and Mr. Wan, Kah Ming. The primary duties of the Audit Committee are to assist our Board in providing an independent view of the effectiveness of our financial reporting process, internal control and risk management, to oversee the audit process and to perform other duties and responsibilities as assigned by our Board.

REMUNERATION COMMITTEE

We have established the Remuneration Committee pursuant to a resolution of our Directors passed on 1 December 2011 with written terms of reference in compliance with paragraph B1 of the Code on Corporate Governance Practices, as set out in Appendix 14 to the Listing Rules. The Remuneration Committee consists of one executive Director and two independent non-executive Directors, namely Mr. Wang Guoqiang, who is the chairman of the Remuneration Committee, Ms. Chen Chunhua and Mr. Wu Kwok Keung Andrew. The primary duties of the Remuneration Committee are to review and formulate policies of remuneration structure of our Directors and senior management and make recommendations on the remuneration package of our Directors and senior management and evaluate and make recommendations on employee benefit arrangements.

NOMINATION COMMITTEE

We have established the Nomination Committee pursuant to a resolution of our Directors passed on 1 December 2011 with written terms of reference as recommended under the Code on Corporate Governance Practices, as set out in Appendix 14 to the Listing Rules. The Nomination Committee consists of one executive Director and two independent non-executive Directors, namely Mr. Wu Dongfang, who is the chairman of the Nomination Committee, Ms. Chen Chunhua and Mr. Wu Kwok Keung Andrew. The primary function of the Nomination Committee is to formulate and implement the nomination policy laid down by our Board, and to oversee the composition, structure and evaluation of our Board and its committees.

COMPLIANCE ADVISER

We have, in compliance with Rule 3A.19 of the Listing Rules, appointed Haitong International Capital Limited as our compliance adviser who will assist and advise our Company in connection with the Listing Rules and guidelines. Specifically, pursuant to Rule 3A.23 of the Listing Rules, our compliance adviser will also advise us in the following circumstances:

- before the publication of any regulatory announcement, circular or financial report;
- where a transaction, which might be considered as a notifiable or connected transaction, is contemplated, including share issues and share repurchases;
- where we propose to use the proceeds of the Global Offering in a manner different from that detailed in this prospectus or where our business activities, developments or results deviated from any forecast, estimate or other information in this prospectus; and
- where the Hong Kong Stock Exchange makes an inquiry of us regarding unusual movements in the price or trading volume of our Shares.

The term of appointment will commence on the Listing Date and end on the date on which we distribute our annual report in respect of our financial results for the first full financial year commencing after the Listing Date and such appointment may be extended by mutual agreement.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Our executive Directors are also our employees and receive, in their capacity as our employees, compensation in the form of salaries and other allowances and benefits in kind.

During the three years ended 31 December 2008, 2009 and 2010 and the six months ended 30 June 2011, the aggregate amount of compensation (including basic salaries and allowances, discretionary bonuses and other benefits including pension) paid by us to our five highest paid individuals was approximately RMB3.8 million, RMB5.3 million, RMB7.1 million and RMB4.4 million, respectively. Other than the compensation paid, the five highest paid individuals were also granted share-based payments amounting to approximately nil, RMB29.7 million, RMB31.0 million and nil, respectively, for the three years ended 31 December 2008, 2009 and 2010 and the six months ended 30 June 2011.

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During the three years ended 31 December 2008, 2009 and 2010 and the six months ended 30 June 2011, the aggregate amount of compensation (including basic salaries and allowances, discretionary bonuses and other benefits including pension) paid by us to our Directors was RMB0.9 million, RMB1.1 million, RMB2.3 million and RMB1.0 million, respectively. We estimate that the aggregate compensation for our Directors (including the three independent Directors who were appointed on our board before this Global Offering) will be approximately RMB2.3 million and RMB3.1 million for the year ending 31 December 2011 and 2012, respectively.

During the year ended 31 December 2010, one of the five highest paid individuals received an emolument of RMB7.9 million as an inducement upon joining our Group. Other than this, during the Track Record Period, no remuneration was paid to the five highest paid individuals of our Group as an inducement to join or upon joining our Group. No compensation was paid to or receivable by such individuals during the Track Record Period for the loss of any office in connection with the management of the affairs of any member of our Group.

Except as disclosed above, no other payments have been made or are payable, in respect of the Track Record Period, by our Group to or on behalf of any of our Directors.

EMPLOYEES

As at 31 December 2008, 2009 and 2010 and 30 June 2011, the total number of full-time employees of our Group was 925, 1,152, 1,616 and 1,771, respectively. The following table sets forth the breakdown of our full-time employees by business department and area of responsibility as at 30 June 2011.

	<u>Number of employees</u>
Headquarters	153
Business Line Departments	
Drilling Services	321
Well Completion Services	166
Reservoir Services	446
Sub-total	<u>933</u>
Regional Offices and Manufacturing Center	
Business Development Department	10
Central Asia and the Middle East	397
West China	117
East China	45
Southeast Asia	59
North America	11
Manufacturing Center	46
Sub-total	<u>685</u>
Total	<u>1,771</u>

We believe that we have maintained a good working relationship with our employees. As of the Latest Practicable Date, no significant labour disputes occurred which adversely affected or are likely to have an adverse effect on the operations of our business. As required by PRC regulations as well as compulsory rules of the PRC local governments, we participate in various social welfare schemes including pension, medical, maternity, work-related injury insurance and housing provident fund contributions. We are required under PRC law to make contributions to these schemes based on certain percentages of the salaries, bonuses and certain allowances of our employees in accordance with the respective regulatory requirement, up to a maximum amount specified by the relevant local governments from time to time.