

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

COSL

中海油田服务股份有限公司
China Oilfield Services Limited

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

(Stock Code: 2883)

ANNOUNCEMENT
POSITIVE PROFIT ALERT

This announcement is made by China Oilfield Services Limited (the “**Company**”) pursuant to Rules 13.09(2) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary calculation by the finance department of the Company, for the twelve months ended 31 December 2017 in accordance with the Hong Kong Financial Reporting Standards (“**HKFRS**”), the Company will record a net profit compared to the net loss for the twelve months ended 31 December 2016 (official disclosed numbers). It is estimated that the net profit attributable to owners of the Company as reported in accordance with HKFRS for the twelve months ended on 31 December 2017 will amount to approximately RMB33,000 thousand. The amount of non-recurring items including revenue from wealth management products, government subsidies, reversal of provision made based on individual assessment for impairment of accounts receivables, and compensation for late delivery of the vessels is around RMB516,000 thousand. Therefore, the net loss attributable to owners of the Company after deducting non-recurring items will be around RMB483,000 thousand.

For the twelve months ended 31 December 2016 and in accordance with HKFRS, the net loss attributable to owners of the Company was RMB11,456,190 thousand, the net loss attributable to owners of the Company after deducting non-recurring items was RMB11,671,220 thousand, and loss per share was RMB2.40.

The Company is of the view that the estimated increase in profit is mainly attributable to the following factors:

1. Main Business Impact

In 2017, both the utilization rate of equipment sector of the Company and the workload of well services sector were increased a lot, and the service prices of some production lines increased to some extent. In addition, the Company vigorously implemented cost reduction and efficiency improvement measures, and constantly optimized the cost structure, which also had a positive impact on the performance of the Company.

Compared to the year in 2016, the Company made provision for fixed assets and goodwill impairments and bad debt provision for accounts receivable of RMB8,272,710 thousand.

2. Non-recurring Gains and Losses Impact

In 2017, the net profit attributable to owners of the Company is expected to increase by around RMB516,000 thousand due to non-recurring items, mainly including revenue from wealth management products, government subsidies, reversal of provision made based on individual assessment for impairment of accounts receivables, and compensation for late delivery of the vessels.

In 2016, the amount of non-recurring items mainly including revenue from wealth management products and government subsidies was RMB215,030 thousand. Compared between two years, the increase of non-recurring gains and losses is mainly due to reversal of provision made based on individual assessment for impairment of accounts receivables, compensation received for late delivery of vessels and increasing in government subsidies received and recognized in profit or loss.

The information contained in this announcement is only a preliminary assessment by the management of the Company based on the currently available information and such information has not been audited by the Company's auditors.

The Company will disclose further details of the Company's financial performance when the financial results for the twelve months ended 31 December 2017 are announced.

Shareholders and potential investors are advised to exercise caution when dealing in shares of the Company.

By Order of the Board of
China Oilfield Services Limited
Jiang Ping
Company Secretary

23 January 2018

As at the date of this notice, the executive directors of the Company are Messrs. Qi Meisheng, Li Feilong and Liu Yifeng; the non-executive directors of the Company are Messrs. Lv Bo (Chairman) and Meng Jun; and the independent non-executive directors of the Company are Messrs. Law Hong Ping, Lawrence, Fong Chung, Mark and Wong Kwai Huen, Albert.