



CHINA OILFIELD SERVICES LIMITED

(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2883)

OVERSEAS REGULATORY ANNOUNCEMENT —THIRD QUARTER RESULTS

This announcement is made pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Third Quarterly Report for 2010 of the Company is prepared in accordance with PRC Accounting Standards for Business Enterprises and has not been audited.

October 27, 2010

As at the date of this announcement, the executive director of the Company is Mr. Li Yong; the non-executive directors of the Company are Messrs. Liu Jian (Chairman) and Wu Mengfei; and the independent non-executive directors of the Company are Messrs. Tsui Yiu Wa, Fong Wo, Felix and Chen Quansheng.



China Oilfield Services Limited

2010 Third Quarterly Report

Stock Abbreviation: CHINA OILFIELD

Stock Code: 601808

27 October 2010

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§1. Important Notice

- 1.1 The Board of Directors (the “Board”), the supervisory committee and the directors, supervisors and senior management of China Oilfield Services Limited (the “Company”) confirmed that the data of this report contains no misrepresentation, misleading information or material omission and will be individually and jointly responsible for the truthfulness, accuracy and completeness of the contents of the report.
- 1.2 Present at the Board meeting: Mr. Fong Wo, Felix (independent non-executive director), due to his other business engagement, was not able to attend the meeting to approve this quarterly report. Mr. Tsui Yiu Wa (independent non-executive director) was appointed and authorized to attend and vote on his behalf, all other directors of the Company attended the Board meeting.
- 1.3 The Third Quarterly Financial Report of the Company was unaudited.
- 1.4 Mr. Li Yong, CEO&President, Mr. Li Feilong, EVP&CFO, and Mr. Liu Zhenyu, General Manager of Accounting Department, have declared that they assure for the truthfulness and completeness of the financial statements in the report.

§2. Company Profile

2.1 Major Accounting Data and Financial Indicators

Currency: RMB

	As at 30 September 2010	As at 31 December 2009	Change over the end of last year (%)
Total assets (million Yuan)	63,722.74	60,933.34	4.58
Shareholders' equity (million Yuan)	24,978.50	22,305.60	11.98
Net assets per share attributable to equity holders of the Parent (Yuan per share)	5.56	4.96	11.98
	From the beginning of the year to end of the reporting period (January to September)		Change over the corresponding period of last year (%)
Net cash flow from operating activities (million Yuan)		5,052.04	71.26
Net cash flow per share from operating activities (Yuan per share)		1.12	71.26
	The Reporting Period (July to September)	From the beginning of the year to end of the reporting period (January to September)	Change over the corresponding period of last year (%) (July to September)
Net profit attributable to equity holders of the Parent (million Yuan)	1,254.93	3,429.17	-29.39
Basic earnings per share (Yuan per share)	0.28	0.76	-29.39
Basic earnings per share after deduction of non-recurring gain and loss (Yuan per share)	0.28	0.77	-34.88

Diluted earnings per share (Yuan per share)	0.28	0.76	-29.39
Weighted average net assets earning ratio (%)	5.13	14.40	Decreased 3.30 %
Ratio of weighted average net assets earning after deduction of non-recurring gain and loss (%)	5.16	14.63	Decreased 4.01 %

Items and amounts of non-recurring gain and loss

Currency: RMB Unit: Yuan

Items	Amount for the period ended 30 September 2010
Loss on disposal of non-current assets	(17,926,396)
Government grant	10,950,434
Net amounts of other non-operating income/loss	(56,918,423)
Total of non-recurring gain and loss	(63,894,385)
Less: income tax effect	(9,584,158)
Net amounts affecting under non-recurring gain and losses	(54,310,227)

2.2 Number of shareholders and particulars of shareholding of the top ten shareholders not subject to restrictions on sale as at the end of the reporting period

Total number of shareholders as at the end of the reporting period:	A share: 150,862
	H share: 262

Unit: Share

Particulars of shareholding of the top ten shareholders not subject to restrictions on sale		
Name of shareholders (in full)	Shares not subject to restrictions on sale as at the end of the reporting period	Type of shares
China National Offshore Oil Corporation	2,410,468,000	A Shares
HongKong Securities Clearing Company Nominees Limited	1,531,045,899	H Shares
Great Wall Brand Optimal Stock Securities Investment Fund	17,791,394	A Shares
National Social Security Fund 103	8,497,761	A Shares
Bosera Thematic Sector Equity Securities Investment Fund	8,000,000	A Shares
Wu Xiangfen	6,896,633	A Shares
Lion Flexible Configuration Mixed Securities Investment Fund	5,395,461	A Shares
Wang Hua	5,328,317	A Shares
Yimin Innovation Advantage Mixed Securities Investment Fund	5,076,118	A Shares
Tongde Securities Investment Fund	4,999,981	A Shares

Note: 1. Shares held by Hong Kong Securities Clearing Company (HKSCC) Nominees Limited were the sum of H-shares (by agent) traded in the trading platform of HKSCC Nominees Limited and in the accounts of H-share shareholders.

2. To the knowledge of the Company, there were no connected relationships or concerted actions between the above top 10 shareholders not subject to restrictions on sales.

2.3 Operating results review

In the first three quarters of 2010, China Oilfield Services Limited (the Group) achieved an operating revenue of RMB13,630.3 million, which represented a rise of 0.8% compared to RMB13,525.1 million in the same period of last year (January - September) (Since the operation contract of 1 semi-submersible drilling rig under construction was cancelled in the same period of last year, the Group reversed the related deferred revenue of RMB1,073.1 million. Excluding this impact, the operating revenue of the period increased by 9.5% compared with the same period of last year). Net profit is RMB3,429.2 million, which represented an increase of 22.2% compared with the same period of last year.

Operating data of the main segments for the nine months ended 30 September 2010 is listed in the following table:

Drilling Services	For the period ended 30 September 2010	For the period ended 30 September 2009	Change (%)
Operating Days (Days)	6,730	6,114	10.1%
Jack-up Rigs	5,977	5,298	12.8%
Semi-submersible Rigs	753	816	-7.7%
Utilization Rate (Available Day)	100.0%	97.4%	2.6%
Jack-up Rigs	100.0%	97.0%	3.0%
Semi-submersible Rigs	100.0%	100.0%	0.0%
Utilization Rate (Calendar Day)	95.4%	95.9%	-0.5%
Jack-up Rigs	95.8%	95.4%	0.4%
Semi-submersible Rigs	91.9%	99.6%	-7.7%
Marine Support and Transportation Services	For the period ended 30 September 2010	For the period ended 30 September 2009	Change (%)
Operating Days (Days)	20,089	20,513	-2.1%
Standby vessels	12,335	11,948	3.2%
AHTS vessels	4,687	5,236	-10.5%
PSV vessels	1,331	1,325	0.5%
Utility vessels	963	1,506	-36.1%
Barges	773	498	55.2%

Vessel Utilization Rate (Available Day)	98.2%	97.3%	0.9%
Standby vessels	99.3%	97.9%	1.4%
AHTS vessels	96.8%	97.2%	-0.4%
PSV vessels	100.0%	100.0%	0.0%
Utility vessels	89.7%	100.0%	-10.3%
Barges	96.9%	75.1%	21.8%

Vessel Utilization Rate (Calendar Day)	94.9%	92.8%	2.1%
Standby vessels	96.5%	93.2%	3.3%
AHTS vessels	91.9%	93.3%	-1.4%
PSV vessels	97.5%	97.1%	0.4%
Utility vessels	88.2%	91.9%	-3.7%
Barges	94.4%	75.1%	19.3%

Geophysical Services	For the period ended 30 September 2010	For the period ended 30 September 2009	Change(%)
2D Seismic Data			
Data Collection (km)	23,383	29,549	-20.9%
Data Processing (km)	7,356	12,515	-41.2%
3D Seismic Data			
Data Collection (km ²)	10,813	9,212	17.4%
Data Processing (km ²)	4,843	4,614	5.0%
Submarine cable collection (km²)	303	-	100.0%

As at 30 September 2010, the Group operated and managed a total of 27 drilling rigs, 2 accommodation rigs, 4 module rigs and 6 land drilling rigs. In the first three quarters of 2010, the operating days of the drilling rigs were 6,730 days, representing an increase of 616 days compared with the same period of last year. The main reasons are that, firstly, 2 jack-up drilling rigs (COSL936/COSL937) which commenced operation in the current period increased operating days by 506 days, and secondly, the operation efficiency of CDE Group was enhanced and that the 2 jack-up drilling rigs which commenced operation last year operated in full current period, this increased the operating days by 345 days. Moreover, operating days were reduced by 235 days due to the increase in the number of days of repair and maintenance in the current period.

The 4 module rigs for clients in the Mexico Gulf operated normally as per schedule. 1,084 days of operation were achieved during the period, and the calendar day utilization rate reached 99.3%. The 6 land drilling rigs operating in the land drilling markets of Libya and China brought a total of 1,575 operating days, and the calendar day utilization rate reached 96.2%.

As at 30 September 2010, the Group's fleet of offshore operating vessels comprised an aggregate of 78 utility vessels, 3 oil tankers and 5 chemical carriers. The aggregate operating days of the fleet were 20,089 days in the first three quarters, representing a decrease of 424 days compared with the same period of last year. This is mainly due to the disposal of the vessels which were expired in service duration since the third quarter of last year, which resulted in a decrease of 1,092 operating days. The standby vessels and the workover support barges increase the operating days by 662 days, while the decrease in maintenance of platform supply vessels resulted in an increase of 6 operating days.

Operating revenue of the Well services segment increased compared with the same period of last year thanks to the business development and the increase of operation.

In the Geophysical services segment, due to the transformation of a 2D collection vessel into a submarine cable's source vessel and the decreased market demand for 2D data collection, the 2D collection volume decreased by 20.9% as compared with the same period of last year. It also resulted in the decrease of 2D data processing volume. A growth of 17.4% was recorded for the 3D data collection business, reaching 10,813 km² thanks to the overseas operation of COSL719. Data processing business grew steadily, representing an increase of 5.0% as compared with the same period of last year. In addition, the Group added a new submarine cable collection business during the period, its operation volume in the first three quarters was 303 km².

§3. Significant Events

3.1 Disclosure as to and reasons for, material changes in major accounting items and financial indicators of the Company

✓ Applicable Not applicable

Reasons for major accounting items with changes of over 30% are as follows:

1. Finance expenses

For the nine months ended 30 September 2010, the finance expenses of the Group was RMB395.3 million, a decrease of RMB353.9 million from RMB749.2 million during the same period of last year (January-September), which represented a drop of 47.2%. This is mainly due to the refinancing and optimising of debt last year, which reduced the cost of debt.

2. Asset impairment losses

For the nine months ended 30 September 2010, the Group recognized asset impairment losses of RMB217.0 million, a decrease of RMB607.9 million from RMB824.9 million during the same period of

last year (January-September), which represented a drop of 73.7%. This is mainly due to that the group recognized asset impairment losses of RMB819.9 million during the same period of last year. The Group recognized asset impairment losses of RMB19.1 million for the equity investments in Petrojack ASA this period, and provisions have been made for part of the accounts receivable and inventory.

3. Fair value gains

For the nine months ended 30 September 2010, the Group has not recognized fair value gains, while fair value gains of RMB43.7 million was recognized during the same period of last year. This is mainly because the Group redeemed its NOK500 million senior unsecured NOK bonds and the related interest rate swap contract of NOK250 million was cancelled. Therefore no gain from changes in fair value was recognized.

4. Investment income

For the nine months ended 30 September 2010, the Group recognized investment income of RMB111.9 million, however, the Group recognized investment loss of RMB11.7 million in the same period last year. This is primarily due to the decrease of investment loss recognized for jointly-controlled entity Atlantis Deepwater Orient Ltd. by RMB109.2 million compared with the same period of last year, and the increase of investment income recognized for China France Bohai Geoservices Co., Ltd by RMB30.3 million compared with the same period of last year. The aggregated investment income of the other 8 jointly-controlled entities decreased by RMB15.9 million compared with the same period of last year.

5. Non-operating expenses

For the nine months ended 30 September 2010, the non-operating expenses of the Group was RMB97.0 million, representing a decrease of RMB282.2 million, or 74.4%, as compared to RMB379.2 million for the same period of last year. This was primarily due to the provision for litigations and default compensation of RMB370.2 million during the same period of last year.

6. Income tax expenses

For the nine months ended 30 September 2010, the income tax expenses of the Group was RMB691.5 million, representing an increase of RMB172.2 million or 33.2% from RMB519.3 million for the same period of last year. The main reasons were that the Group's profit before tax increased and secondly, that the 2008 advanced technology enterprise tax refund was received in the same period of last year, which offset the income tax expenses of the period.

7. Notes receivable

As at 30 September 2010, the Group has no notes receivable. The notes receivables of the Group was RMB429.7 million as of the beginning of the year, which has been settled by cash during the period.

8. Accounts receivable

As at 30 September 2010, accounts receivable of the Group was RMB5,224.6 million, representing an increase of RMB1,479.1 million or 39.5% compared with RMB3,745.5 million as of the beginning of the year. This was mainly due to the increased revenue of the Group as the business develops and the diversification of customers.

9. Prepayments

As at 30 September 2010, prepayments of the Group was RMB259.4 million, representing a decrease of RMB268.8 million or 50.9% compared with RMB528.2 million as of the beginning of the year. This was mainly due to the transfer of some prepayments to construction in progress as some of the construction projects progressed.

10. Dividend receivable

For the nine months ended 30 September 2010, dividend receivable of the Group was RMB54.2 million, representing an increase of RMB30.4 million or 128.3% compared with RMB23.8 million as of the beginning of the year. This was mainly because the Group has received in full the dividends receivable of RMB23.8 million at the beginning of the year. The balance at the end of the period is the amount of dividends receivable from jointly-controlled entities the Group newly recognized in the period.

11. Available-for-sale financial assets

As at 30 September 2010, the closing balance of the available-for-sale financial assets of the Group was nil, which decreased RMB19.3 million from that of the beginning of the year (RMB19.3 million). The decrease was mainly due to the balance of the equity investment in Petrojack ASA held by the Group being totally recognized as impairment losses on assets since the termination of the share transactions of the company in March 2010.

12. Held-to-maturity investments

As at 30 September 2010, the held-to-maturity investments of the Group was nil, representing a RMB39.1 million drop from that of the beginning of the year (RMB39.1 million), which was mainly due to the settlement of the loan amounted to RMB39.1 million payable to a Norway-based export credit institution, Eksportfinans, during the period, and the deposit as a pledge was free from pledge and transferred to cash at bank.

13. Long-term deferred expenses

As at 30 September 2010, the long-term deferred expenses of the Group was RMB555.8 million, a decrease of RMB285.8 million compared to RMB841.6 million at the beginning of the year, which represented a drop of 34.0%. The decrease was mainly due to the amortization of drilling tools.

14. Taxes payable

As at 30 September 2010, the taxes payable of the Group was RMB329.6 million, an increase of RMB176.5 million compared to RMB153.1 million at the beginning of the year, which represented a rise of 115.3%. The increase was primarily due to an increase in income tax expenses for the period.

15. Interest payable

As at 30 September 2010, the interest payable of the Group was RMB96.1 million, a decrease of RMB43.1 million compared to RMB139.2 million at the beginning of the year, which represented a drop of 31.0%. The decrease was primarily due to the redemption of a portion of bonds resulting in the decrease of the interest payable during the period.

16. Other payables

As at 30 September 2010, other payables of the Group was RMB201.2 million, a decrease of RMB157.6 million compared to RMB358.8 million at the beginning of the year, which represented a drop of 43.9%. The decrease was primarily due to a portion of payables being duly settled during the period.

17. Current portion of non-current liabilities

As at 30 September 2010, the current portion of non-current liabilities of the Group was RMB953.7 million, an increase of RMB670.6 million compared to RMB283.1 million at the beginning of the year, which represented a rise of 236.9%. The increase was mainly due to the reclassification of long-term borrowings amounted to RMB90.0 million and bonds payable amounted to RMB581.3 million, which will be matured within a year, to this category.

18. Long-term bonds

As at 30 September 2010, the long-term bonds of the Group amounted to RMB1,500.0 million, a decrease of RMB1,170.0 million compared to RMB2,670.0 million at the beginning of the year, which represented a drop of 43.8%. The decrease was mainly due to the redemption of bonds with an

aggregate amount of RMB571.5 million by the Group during the period. Besides, bonds due within a year amounted to RMB581.3 million were reclassified as the current portion of non-current liabilities.

19. Other non-current liabilities

As at 30 September 2010, the other non-current liabilities of the Group was RMB1,151.3 million, an increase of RMB334.8 million compared to RMB816.5 million at the beginning of the year, which represented a rise of 41.0%. The increase was mainly due to our receipt government grants of RMB267.0 million during the period.

20. Net cash flows from operating activities

As at 30 September 2010, the net cash inflow from operating activities of the Group was RMB5,052.0 million, including cash received from sale of goods and rendering of services amounted to RMB12,594.8 million, tax refund received amounted to RMB39.3 million, cash paid for goods and services amounted to RMB3,747.9 million, cash paid to and for employees amounted to RMB2,325.5 million and cash paid for taxes amounted to RMB1,018.3 million. The aggregated cash paid relating to other operating activities was RMB490.4 million.

21. Net cash flows from investing activities

As at 30 September 2010, the net cash outflow from investing activities of the Group was RMB2,890.5 million, which mainly comprised cash paid for acquisition of fixed assets, intangible assets and other long-term assets during the period amounted to RMB2,326.0 million and the cash paid for acquisition of other investments amounted to RMB600.0 million. Besides, the Group recorded return on investments, interest income from bank deposits and disposal of fixed assets and other long-term assets amounted to RMB 106.4 million, RMB35.6 million and RMB55.8 million respectively. The aggregated cash outflow from other investing activities was RMB162.3 million.

22. Net cash flows from financing activities

As at 30 September 2010, the net cash outflow from financing activities of the Group was RMB1,385.2 million, which mainly comprised cash received from borrowings and the government grant during the period amounted to RMB1,449.7 million. The Group recorded cash paid for repayment of borrowings amounted to RMB1,614.7 million, cash paid for dividends amounted to RMB630.3 million and cash paid for interest expenses amounted to RMB577.9 million. The aggregated cash outflow from other financing activities was RMB12.0 million.

23. The effect of foreign exchange rate fluctuation resulted in the cash outflow amounted to RMB40.8 million.

3.2 Significant events and analysis on their effects and solutions

Applicable Not applicable

1. The problem of the appropriation of non-operating capital of the Company by China National Offshore Oil Corporation (hereinafter referred to as "CNOOC") and its subsidiaries, the controlling shareholder of the Company, was resolved by the end of September 2010. CNOOC prepaid part of the reserve to the Company. The Company deducted the early retirement cost and the wages related to staff deployment, which were prepaid by the Company, directly from the reserve. The problem of the appropriation of non-operating capital by the controlling shareholder of the Company existed in the third quarterly report of 2010. Since the end of September 2010, the problem of appropriation of non-operating capital did not exist in the Company.

2. In the initial public offering of A shares of the Company, CNOOC, the controlling shareholder of the Company, held a total of 2,460,468,000 shares of the Company, in which all of them are shares held by CNOOC prior to the initial public offering of A shares of the Company. CNOOC has undertaken that: Within the thirty-six months since the date of listing of the A shares of the Company, CNOOC shall not transfer nor entrust others to manage shares of the Company directly or indirectly held by CNOOC, nor acquire such shares by the Company. CNOOC has strictly complied with the above promise in the commitment period. In September 2009, pursuant to the *Implementing Measures for the Transfer of Part of the State-owned Shares to the NSSF in Domestic Securities Market*, and related documents jointly issued by the Ministry of Finance and other ministries of the PRC, CNOOC shall transfer 50,000,000 shares of the shares it held in the Company to the National Social Security Fund. Upon the above transfer, CNOOC held 2,410,468,000 shares of the Company.

The trading restriction period for the 2,410,468,000 shares held by CNOOC expires on 28 September 2010, and can be traded in the market from 29 September 2010. The Company has never received any notification of trading restriction for the shares of the Company held by CNOOC.

3. In January 2007, Awilco Off shore ASA made a compulsory acquisition of the outstanding shares in Off Rig Drilling ASA ("OFRD"). The acquisition was made in accordance with the Norwegian Public Limited Companies Act. Certain minority shareholders owning an aggregate of 8.8% in OFRD disagreed with the price paid per share. In 2009, an appraisalment where the redemption price for the shares was set at a price higher than the acquisition price was made by the Norwegian court. The Group has filed a petition for a second appraisalment by a higher court and the higher court process was held in May 2010.

According to the higher court decision made in August 2010, the redemption price was NOK34.5 (the redemption price from the previous lower court decision: NOK56). In September 2010, the minority shareholders has filed an appeal, and the Company is currently preparing the defense for the appeal.

3.3 Status of performance of undertakings made by the Company, shareholders and beneficial controllers

Applicable Not applicable

3.4 Profit warning on anticipation of possible loss against accumulated net profit from the beginning of the financial year to the end of the next reporting period or significant changes in profit as compared with that of the corresponding period of last year and the reasons therefore

Applicable Not applicable

3.5 Implementation of cash dividend distribution policy during the reporting period

According to the Profit Distribution Plan for 2009 as considered and approved at the First Meeting of the Board of Directors 2010 convened on 30 March 2010, the board of directors of the Company considered and approved the distribution of cash dividend of RMB1.4 per ten shares (tax inclusive) based on a total share capital of 4,495,320,000 shares. A cash dividend totalling RMB629,344,800 was distributed. The balance of undistributed profit was carried forward to the subsequent year for distribution. The above plan was considered and approved at the Annual General Meeting for 2009 of the Company which convened on 28 May 2010 and was completed on 17 June 2010.

Corporate Representative:
Li Yong
China Oilfield Services Limited
27 October 2010

§4. Appendix

Consolidated Balance Sheet

30 September 2010

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

Items	Consolidated		Company	
	Balance at the end of the period	Balance at the beginning of the year	Balance at the end of the period	Balance at the beginning of the year
Current assets:				
Cash on hand and at bank	5,396,278,923	4,222,832,778	3,738,234,214	2,555,012,686
Notes receivable	-	429,657,902	-	429,657,902
Accounts receivable	5,224,632,034	3,745,547,364	5,176,605,727	4,197,063,076
Prepayments	259,391,061	528,233,255	225,787,995	489,374,487
Dividend receivable	54,226,700	23,754,415	59,226,700	23,754,415
Interest receivable	6,585,036	1,080,000	5,535,000	1,080,000
Other receivables	480,450,454	389,123,571	1,025,306,407	965,033,453
Inventories	814,768,809	820,548,546	580,689,773	617,242,127
Current portion of non-current assets	38,353,572	39,081,032	-	-
Total current assets	12,274,686,589	10,199,858,863	10,811,385,816	9,278,218,146
Non-current assets:				
Available-for-sale financial assets	-	19,281,034	-	-
Long-term equity investments	511,958,091	531,735,085	7,246,875,179	7,231,157,657
Held-to-maturity investment	-	39,081,025	-	-
Fixed assets	30,022,426,520	30,092,311,149	14,050,263,534	13,296,788,952
Construction in progress	15,418,184,080	14,147,200,718	5,580,575,252	5,397,656,694
Intangible assets	424,815,672	461,844,210	310,061,979	317,392,113
Goodwill	4,514,840,085	4,600,473,214	-	-
Long-term deferred expenses	555,826,122	841,551,247	464,034,913	808,203,334
Long-term receivables	-	-	20,739,904,500	20,450,459,000
Total non-current assets	51,448,050,570	50,733,477,682	48,391,715,357	47,501,657,750
Total assets	63,722,737,159	60,933,336,545	59,203,101,173	56,779,875,896
Current liabilities:				
Accounts payable	3,747,399,359	3,175,095,974	2,533,748,312	2,707,769,658
Receipts in advance	5,255,901	5,255,901	5,255,901	5,255,901
Staff cost payable	532,236,466	477,407,095	471,658,235	433,104,738
Taxes payable	329,609,106	153,070,242	293,930,297	122,947,646

Interests payable	96,061,968	139,212,858	70,380,371	81,561,535
Other payables	201,177,843	358,827,721	152,753,824	197,613,352
Current portion of non-current liabilities	953,678,634	283,081,032	334,000,000	244,000,000
Other current liabilities	660,055,234	606,038,526	-	44,213,902
Total current liabilities	6,525,474,511	5,197,989,349	3,861,726,940	3,836,466,732
Non-current liabilities:				
Long-term bank borrowings	27,708,275,923	28,151,039,943	27,708,275,923	28,111,958,918
Long-term bonds	1,500,000,000	2,670,019,752	1,500,000,000	1,500,000,000
Deferred tax liabilities	1,858,289,055	1,790,789,029	508,145,505	365,889,553
Staff cost payable	-	1,381,058	-	-
Other non-current liabilities	1,151,346,662	816,512,769	329,484,262	36,565,316
Total non-current liabilities	32,217,911,640	33,429,742,551	30,045,905,690	30,014,413,787
Total liabilities	38,743,386,151	38,627,731,900	33,907,632,630	33,850,880,519
Shareholders' equity:				
Share capital	4,495,320,000	4,495,320,000	4,495,320,000	4,495,320,000
Capital reserve	8,074,565,726	8,074,565,726	8,074,565,726	8,074,565,726
Satutory reserve funds	1,335,639,695	1,335,639,695	1,335,639,695	1,335,639,695
Retained earnings	11,178,240,721	8,378,412,798	11,399,779,495	9,027,158,354
Including: proposed cash dividends	-	629,344,800	-	629,344,800
Cumulative translation reserves	(105,269,524)	21,666,426	(9,836,373)	(3,688,398)
Equity attributable to equity holders of the Parent	24,978,496,618	22,305,604,645	25,295,468,543	22,928,995,377
Minority interests	854,390	-	-	-
Total shareholders' equity	24,979,351,008	22,305,604,645	25,295,468,543	22,928,995,377
Total liabilities and shareholders' equity	63,722,737,159	60,933,336,545	59,203,101,173	56,779,875,896

Chief Executive Officer
and President

Li Yong

Executive Vice President
and Chief Financial Officer

Li Feilong

General Manager of Accounting
Department

Liu Zhenyu

Consolidated Income Statement

January to September 2010

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

Items	Amounts of the period	Amounts of the previous	Amounts from the beginning of the year to end of the reporting period	Amounts from the beginning of the year to end of the reporting period last year
	(July to September)	(July to September)	(January to September)	(January to September)
1. Revenue	4,636,732,393	5,527,175,816	13,630,312,311	13,525,105,196
Less: operating costs	(2,723,591,350)	(2,873,443,241)	(8,255,705,629)	(7,697,499,023)
Bussiness taxes and surcharges	(123,761,752)	(120,605,681)	(389,191,642)	(304,703,410)
Selling expenses	(2,159,135)	(1,777,183)	(5,458,055)	(4,713,303)
General and administrative expenses	(98,708,267)	(111,437,661)	(294,969,977)	(305,958,844)
Financial expenses	(127,459,769)	(156,923,518)	(395,318,025)	(749,173,907)
Assets impairment losses	(63,694,037)	2,918,304	(217,038,605)	(824,948,650)
Add: Fair value gain ("-" for losses)	-	16,736,920	-	43,652,527
Investment income /(loss)	31,661,224	50,170,902	111,937,287	(11,654,362)
Including: Share of profits of jointly-controlled entities	31,661,224	50,170,902	111,937,287	(11,654,362)
2. Operating profit	1,529,019,307	2,332,814,658	4,184,567,665	3,670,106,224
Add: Non-operating income	29,583,559	7,001,622	33,151,167	33,896,086
Less: Non-operating expenses	(35,575,196)	(210,677,610)	(97,045,552)	(379,172,912)
Including: gain / (losses) on disposal of non-current assets	(4,745,975)	1,764,171	(19,089,761)	4,227,673
3. Profit before tax	1,523,027,670	2,129,138,670	4,120,673,280	3,324,829,398
Less: Income tax expenses	(268,092,689)	(351,980,145)	(691,500,557)	(519,289,430)
4. Net Profit	1,254,934,981	1,777,158,525	3,429,172,723	2,805,539,968
Net profit attributable to equity holders of the Parent	1,254,934,981	1,777,158,525	3,429,172,723	2,805,539,968
Minority interests	-	-	-	-
5. Earnings per share:				
Basic earnings per share	0.28	0.40	0.76	0.62

Chief Executive Officer
and President

Li Yong

Executive Vice President
and Chief Financial Officer

Li Feilong

General Manager of Accounting
Department

Liu Zhenyu

Income Statement of the Parent Company

January to September 2010

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

Items	Amounts of the period	Amounts of the previous	Amounts from the beginning of the year to end of the reporting period	Amounts from the beginning of the year to end of the reporting period last year
	(July to September)	(July to September)	(January to September)	(January to September)
1. Revenue	3,702,341,165	3,532,073,672	10,822,410,660	9,649,863,584
Less: operating costs	(2,123,671,805)	(2,219,186,227)	(6,335,907,433)	(5,740,767,876)
Business taxes and surcharges	(114,809,462)	(104,651,254)	(362,844,314)	(266,990,101)
Selling expenses	(717,923)	(915,673)	(2,029,509)	(2,442,092)
General and administrative expenses	(48,162,383)	(57,890,945)	(149,154,811)	(167,081,937)
Financial expenses	(170,771,539)	(223,227,086)	(423,293,689)	(413,732,273)
Assets impairment losses	-	-	(45,463,430)	(5,360,650)
Add: Fair value gain ("-" for losses)	-	-	-	-
Investment income	49,208,838	68,951,892	160,690,472	134,533,761
Including: Share of profits of jointly-controlled entities	49,208,838	57,951,892	145,690,472	123,533,761
2. Operating profit	1,293,416,891	995,154,379	3,664,407,946	3,188,022,416
Add: Non-operating income	29,581,559	7,000,722	34,491,905	33,895,186
Less: Non-operating expenses	(4,710,905)	(5,794,986)	(30,434,968)	(8,901,592)
Including: gain / (losses) on disposal of non-current assets	(4,632,583)	1,730,137	(18,966,532)	4,193,639
3. Profit before tax	1,318,287,545	996,360,115	3,668,464,883	3,213,016,010
Less: Income tax expenses	(278,301,630)	(161,726,415)	(666,498,942)	(413,695,673)
4. Net Profit	1,039,985,915	834,633,700	3,001,965,941	2,799,320,337
Minority interests	-	-	-	-
5. Earnings per share:				
Basic earnings per share	N/A	N/A	N/A	N/A

Chief Executive Officer
and President

Li Yong

Executive Vice President
and Chief Financial Officer

Li Feilong

General Manager of Accounting
Department

Liu Zhenyu

Cash Flow Statement

January to September 2010

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

Items	Consolidated		Parent Company	
	Amounts from the beginning of the year to end of the reporting period	Amounts from the beginning of the year to end of the reporting period last year	Amounts from the beginning of the year to end of the reporting period	Amounts from the beginning of the year to end of the reporting period last year
	(Jan.-Sep.)	(Jan.-Sep.)	(Jan.-Sep.)	(Jan.-Sep.)
1.Cash flows from operating activities				
Cash received from sale of goods and rendering of services	12,594,819,034	10,216,141,665	9,753,597,588	7,687,369,687
Tax refund received	39,314,429	2,281,300	13,351,026	2,281,300
Cash received relating to other operating activities	43,243,583	31,356,440	23,150,071	31,356,441
Subtotal of cash inflows from operating activities	12,677,377,046	10,249,779,405	9,790,098,685	7,721,007,428
Cash paid for goods and services	(3,747,856,341)	(3,764,462,549)	(2,995,483,416)	(3,271,038,751)
Cash paid to and for employees	(2,325,532,274)	(1,903,221,900)	(1,863,411,223)	(1,366,393,356)
Cash paid for taxes	(1,018,252,650)	(1,192,215,931)	(733,513,607)	(721,185,473)
Cash paid relating to other operating activities	(533,697,190)	(439,902,101)	(431,773,438)	(326,478,547)
Subtotal of cash outflows from operating activities	(7,625,338,455)	(7,299,802,481)	(6,024,181,684)	(5,685,096,127)
Net cash flows from operating activities	5,052,038,591	2,949,976,924	3,765,917,001	2,035,911,301
2.Cash flows from investing activities:				
Cash received from return on investments	106,446,456	137,416,414	109,500,868	94,627,676
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	55,849,864	5,342,687	50,689,864	5,342,687
Cash received on interest income from bank deposits	35,628,741	44,676,624	21,583,039	23,236,849
Cash received relating to other investing activities	38,663,498	228,592,222	532,392,795	266,858,462

Subtotal of cash inflows from investing activities	236,588,559	416,027,947	714,166,566	390,065,674
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	(2,325,997,800)	(5,303,003,345)	(1,910,831,466)	(3,721,591,929)
Cash paid for acquisition of long-term investments	-	(99,884)	-	(424,884)
Cash paid relating to other investing activities	(201,084,615)	(136,938,927)	(682,690,000)	19,607,553,000)
Cash paid for acquisition of other investments	(600,000,000)	-	(600,000,000)	-
Subtotal of cash outflows from investing activities	(3,127,082,415)	(5,440,042,156)	(3,193,521,466)	23,329,569,813)
Net cash flows from investing activities	(2,890,493,856)	(5,024,014,209)	(2,479,354,900)	22,939,504,139)
3. Cash flows from financing activities				
Cash received from subsidy income	266,966,000	70,720,000	266,966,000	70,720,000
Cash received from new borrowings and bonds issue	1,182,690,000	22,277,158,634	1,182,690,000	21,841,078,000
Subtotal of cash inflows from financing activities	1,449,656,000	22,347,878,634	1,449,656,000	21,911,798,000
Cash paid for repayment of borrowings	(1,614,673,174)	(19,597,673,055)	(1,000,000,000)	(900,000,000)
Cash paid for dividends	(630,258,098)	(630,233,956)	(630,258,098)	(630,233,956)
Cash paid for interest expenses	(577,943,871)	(1,039,973,170)	(476,453,832)	(361,909,570)
Cash paid relating to other financing activities	(12,014,288)	(66,697,600)	(12,014,288)	(66,697,600)
Subtotal of cash outflows from financing activities	(2,834,889,431)	(21,334,577,781)	(2,118,726,218)	(1,958,841,126)
Net cash flows from financing activities	(1,385,233,431)	1,013,300,853	(669,070,218)	19,952,956,874
4. Effect of foreign exchange rate fluctuation on cash	(40,793,184)	25,947,714	(34,180,817)	33,722,656
5. Net increase in cash and cash equivalents	735,518,120	(1,034,788,718)	583,311,066	(916,913,308)
Add: Cash and cash equivalents at the beginning of the period	3,214,602,911	4,295,488,052	1,750,110,504	2,770,238,786
6. Cash and cash equivalents at the end of the period	3,950,121,031	3,260,699,334	2,333,421,570	1,853,325,478

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