[For Immediate Release]

Anton Oilfield 2012 Net Profit Surges 292% to RMB 302 Million

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Pre-defined Strategy Successfully Implemented and Group's Business in Full Steam Ahead

Hong Kong, March 13, 2013 - Anton Oilfield Services Group ("Anton Oilfield" or the "Group", HKEx stock code: 3337), the leading independent oilfield services provider in China, is pleased to announce its annual results for the year ended 31 December 2012.

In 2012, the domestic natural market posted a significant growth due to a slew of policy supports and in the overseas markets Chinese investors sped up their project development. With a strong up-trend in demand, the Group made well-prepared planning and took effective measures to enhance its in-house technology servicing ability to seize the market opportunities, reflecting the successful implementation of its pre-defined strategy. The Group's total revenue reached RMB 2,004.6 million in 2012, an increase of 59.2% over the corresponding period of the previous year. Operating profit reached RMB 398.0 million, an increase of as much as 127.6%. Profit attributable to equity holders of the Company surged by 291.5% to RMB 302.6 million. Basic earnings per share were RMB 0.143. The Board of Directors proposed a final dividend of RMB 0.0456 per share.

Market Demand Exceeded Expectations; Strategic Partnerships Forged with Clients for Long-term Cooperation and Business Growth

In 2012, market demands exceeded expectations. The Group promoted its growth through forging strategic partnership with its clients to ensure a sustainable relationship. In China, as oil companies stepped up E&P activities in conventional and tight gas to commit more production capacity in natural gas, the Group seized the market opportunities and, targeting natural gas development, established strategic partnerships with clients in the Erdos Basin, Tarim Basin, Sichuan Basin and Songliao Basin. Overseas, in view of the needs of the Chinese investors, the Group forged long- term partnership in the Al-Ahdab project and the Halfaya project in Iraq.

Core Services Continued to Lead Growth, with New Services Swiftly Opening up Market to Further Contribute to Growth

In the Year, the contribution from the core business — oil and gas field development technical services (including drilling technology, well completion and down hole operations clusters) — continued to post a significant growth, up by 60.1%, while the supplementary business — tubular services — also saw a strong growth, up by 50.0%. The original three signature services — multistage fracking, coiled tubing and directional drilling services — led the growth with an aggregate revenue amounted to RMB830.9 million, up by 36.7% compared to last year, accounting for 41.5% of the Group's total revenue for the Year. In particular, as a result of the accelerated development of tight gas, the revenue of the multistage fracking service registered a remarkable revenue growth of

51.9%, reaching RMB413.2 million, with 139 jobs completed in the Year. In the meantime, the new services – oil-based drilling fluid and pressure pumping - made a successful entry in the market, generating a revenue of RMB163.1 million, accounting for 8.1% of the Group's total revenue.

Integrated-service Strategy Implemented, Successfully Established Service Capacity Targeting the Regular Market

The Group made investments to increase the capacity of stimulation operations and of integrate services, with a focus on strengthening the construction of regular service capacity. The capital expenditure of the Group in 2012 was about RMB278.4 million, used mainly as investment in pressure pumping equipment to increase stimulation capacity. The first phase of pressure pumping capacity construction with a combined service capacity of 24,000 HHP has been completed.

Large-scale Talent Acquisition and Training Accelerated

The Group continued to implement the "Talents First" strategy, further expanding and expediting its talent acquisition. As at 31 December 2012, the Group grew its staff size by 351 to 1,613 people from the end of 2011. The Group attracted top talents and seasoned professionals from state-owned enterprises and Fortune 500, while recruiting university graduates on a massive scale and nurturing in-house talents. In the meantime, it introduced renowned global business consulting firm, Hewitt Associates, to complete the organizational design for the next 3 to 5 years with reference to the best practice of world-leading oil service companies to make a further step in preparation of more talent reserves and future talent development

Operational Management Strengthened, Profitability and Capital Efficiency Fully Enhanced

In 2012, the Group's profitability posted noticeable improvement, as the net profit margin for the year increased to 15.8% from 7.3% 2011. That was mainly attributable to a decline in cost of sales to revenue ratio enabled by the increased use of self-developed products and lower purchasing costs through large-volume purchases from strategic suppliers, and a lower SG&A to revenue ratio thanks to the successful implementation of an evaluation system linked with individual performance. In the meantime, the Group's capital efficiency was fully enhanced. As at 31 December 2012, the number of average accounts receivable turnover days stood at 134, a significant decline of 44 days from that in the previous year; the number of average inventory turnover days reached 124, a drop of 7 days from that in 2011; and the average accounts payable turnover days was 149, an increase of 47 days from that in the previous year. The capital efficiency was further enhanced because the Group strengthened the management of settlement in the sales process, while the Group also incorporated the accounts receivables day target as a key performance indicator and it is aligned with a corresponding reward and penalty system to motivate the fulfillment of such target. In the meantime, the Group strengthened the inventory management with specific measures to manage overdue inventory. In the management of accounts payables, the Group established strategic suppliers to achieve better payment terms.

Outlook

Looking ahead to 2013, the Group anticipates extended growth in the domestic natural gas exploration and development with conventional gas and tight gas remaining as a focus of investment, and as the E&P market for low-yield blocks and unconventional gas resources further opens up, an increasing number of investors are expected to enter this industry. Overseas, the number of projects entering capacity-expansion phases will be on a stable growth and Chinese investors will actively expand in countries outside the country with Middle and South America continuously being the Chinese investors' overseas investment destinations.

In the new year, the Group will establish strategic partnerships with state-owned oilfield service companies domestically of complementary nature to the Group, so as to fully expand the market, and keep conventional gas and tight gas projects as its major service targets. It will leverage the role of Anton Research Institute as a platform to establish strategic cooperation with shale gas investors, providing professional support from geological and reservoir analysis perspectives. Overseas, it will adhere to its "follow-up" strategy and strengthen its foothold in existing markets. The Group will further increase its business volume in the Middle East and boost its business development in South America. Push ahead with the establishment of partnership with overseas national oil companies.

In product development the Group will implement the integrated-service strategy with regular services driven by technical services targeting the high end markets, especially focusing on providing services to address the output constraints of clients and provide integrated service to tackle the engineering challenges and to enhance efficiency for clients. In the meantime, it will Leverage the IPM joint venture with Schlumberger as a marketing platform to win large orders of integrated services, propelling the development of integrated turnkey services.

In human resources, the Group actively acquire industry-leading talents with international experience in core areas and strengthen talent identification and training for the management pipeline, and recruit a large number of graduates and train them as well site engineers, aiming to provide a solid backup for the Group's site operations. In capital expenditure, the Group will continue to strengthen investments in pressure pumping equipment for stimulation capacity and other equipment, and make appropriate investments in drill rigs to meet demand for integrated turnkey services. It will also conduct targeted R&D in major technology applications, while looking for M&A and investment opportunities that is in line with the Group's integrated services strategy. In strategic partnership, the Group will continue to cooperate with international leading oil technology companies to introduce new products and continue to establish strategic suppliers to secure long term development.

In terms of management, the Group will further enhancing its corporate governance structure by introducing an executive vice-president of Schlumberger as a non-executive director of the Group. Meanwhile, it established QHSE Committee and appointed the non-executive director from Schlumberger as QHSE Committee chairman to bring in world's leading standards in QHSE management. In informatization, the Group is working with Atos Origin, an IT service provider, with comprehensive knowledge of the international oilfield service companies' best practice to promote informatization as a means to secure long-term development

In finance, the Group will continue to consolidate existing bank financing and MTN financing channel, while expanding the utilization of different debt financing channels including supply chain financing, financial leasing and overseas debt financing, as a backup for the Group's business development.

"For the years to follow, Anton Oilfield will strengthen its strategic market alliances, and build up the integrated-service service capacity featured by the addition of regular services. At the same time, we will further enhance our in-house capacity and cost competiveness by investing in R&D and manufacturing capabilities. We will ensure our long-term development goals are delivered also through the continuous acquisition and training of talents on a massive scale and accelerated informatization process, and by implementing the integrated-service strategy with the regular services driven by offerings targeting the high-end markets," summarized Mr. LUO Lin, Chairman and CEO of the Group.

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About Anton Oilfield Services Group

Anton Oilfield Services Group (HKEx stock code: 3337) is a leading independent oilfield services provider offering one-stop oil and gas field technical services to oil companies. Its services and solutions span across the drilling technology, well completion, downhole operation, and oil production phases in the development process, with the capabilities to provide integrated services. Its fast growth benefits from the accelerated development of natural gas in China and the Group's increased presence in the overseas markets. At the same time, Anton Oilfield is committed to continuously strengthening its R&D capabilities and making additions to its talent reserves. The Group's strategic objective is to become a global oilfield services provider with a solid foothold in China. Anton Oilfield is headquartered in Beijing with sales offices and operations bases across China's major onshore oil and natural gas basins. The Group also has an international headquarters in Dubai with an extensive network across the Middle East, Central Asia, Africa, and Americas. For more information, please visit our website at http://www.antonoil.com.

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