[For Immediate Release]

# Anton Oilfield Announces 2013 Interim Results

*******************************************

***An all-round boost to integrated service capabilities and to recruitment and fast-track training of a large crop of talent***

Hong Kong, August 12, 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 interim results for the six months ended June 30, 2013.

Into 2013, with the continued and rapid development of natural gas in China, oil companies actively intensified the exploration and development of conventional and unconventional natural gas. In the overseas markets, Chinese investors saw their investment projects progress on schedule. In the face of tremendous market opportunities, the Group leveraged its unrivalled advantages and achieved satisfactory business performance in the first half of 2013. During the period, the Group's total revenue amounted to RMB1,057.0 million, representing an increase of 31.5% when compared with the same period of 2012. The revenue growth was mainly due to the Group's continued business expansion in major natural gas basins in China, rapid growth of existing businesses and revenue contributions from new businesses. In the meantime, the Group's gross margin remained stable. In addition, thanks to certain economies of scale delivered by the rapid business growth of the Group, the selling and administrative expenses were diluted. Profit attributable to the equity holders of the Company surged by 31.8% to RMB164.2 million and net profit margin was 15.5%, on a par with the same period of 2012.

**Rapid growth in domestic market and steady progress in overseas markets**

In the first half of 2013, the Group's revenue from the domestic market was RMB841.0 million, representing an increase of 38.6% as compared with the same period of 2012. The primary reason is that the Group seized the huge market opportunities from domestic natural gas development and continued to penetrate the Tarim Basin, Erdos Basin, and Sichuan Basin where the clients had vigorous development on the ground and where the Group sought to identify further the technological challenges and services needs of the clients. This has enabled the Group to attain fast-paced business growth across all three basins.

In overseas markets, the Group's "follow-up" strategy has demonstrated consistent success. By providing fit-for-purpose and full-lifecycle services to closely match the project progress of investments made by the Chinese investors and by building long-term partnerships with them, the Group maintained steady business growth and its revenue climbed by 9.8% to RMB216.0 million.  In the Middle East, steady progress was made on the Al-Ahdeb project, while the investment in Phase II of the Halfaya project kicked off with the construction of pipeline underway before proceeding to drilling and well completion, and subsequently to the development of relevant blocks on schedule. In South America, the Group has firmed up its foothold in the market after spending two years laying the groundwork and is expected to see the region as a new growth driver for its overseas business.

**Continued growth in core and supplementary businesses and all-round development around client needs for drilling optimization and stimulation**

In the first half of 2013, the Group witnessed continued growth in both its core and supplementary businesses. Specifically, oil and gas development technical services saw further benign growth and posted RMB915.9 million in revenue, an increase of 29.1% compared with the same period of 2012. The existing services including drilling fluid, direction drilling, coiled tubing, multistage fracking and pressure pumping achieved further market penetration and showed consistent growth.

The revenue from tubular services surged by 49.8% to RMB141.1 million, mainly because the integrated service model revolving around the application of tubes has been successfully implemented on a wider scale. In tubular inspection, the service has diversified from drilling tools to tubing and casing in tubular leasing from small-scale drilling tool leasing to large-scale leasing services.

Recognizing the client needs for drilling optimization and stimulation, the Group fully promoted its suite of technologies. The oil-based drilling fluid technology helped the clients increase the drilling speed and shorten the drilling cycle from over 400 days to around 200 days; the fiber-diverting volume fracking technology developed in partnership with Schlumberger helped the clients increase production per well by three folds drilling. Optimization and stimulation have become core drivers of business development.

**Fully enhanced integrated service capabilities**

In the first half of 2013, the Group quickly implemented the integrated service strategy, made key investments in pressure pumping equipments for fracking services, rigs for promoting the integrated service model, and comprehensive and proprietary well completion tool testing, assembling and manufacturing capabilities to fill the shortfalls in regular services capacity. During the period, the Group increased its capacity in pressure pumping equipment to 75,200 HHP and added three 5,000-meter drilling rigs, of which two drilling rigs have been delivered by the end of June. At the same time, the Group further intensified its efforts to develop the integrated services model to propel other individual technical services. On the one hand, the Group increased recruitment of top-caliber professionals in the geology and reservoir domains and developed technical competencies for oil and gas reservoir evaluation and analysis to promote the integrated service model from the perspective of oil reservoir and production. On the other hand, it expedited recruitment and training of engineers for Tongzhou IPM (同舟一體化), a joint venture with Schlumberger, to promote the integrated service model on the engineering side.

**Talents First and Fast Track to Reserve to ensure remarkable growth**

During the period, the Group intensified its efforts to bring in top industry talents and increased the headcount for graduate hire. 680 graduates were recruited from petroleum universities and other prestigious universities across the country, who will report to the Group in the third quarter and receive training. The Group has also initiated a "succession plan" to better nurture successors and ensure the supply of human resources needed for the rapid growth of the Group.

**Stable and healthy levels of profitability and working capital management efficiency maintained**

In the first half of 2013, the Group maintained a stable gross margin. Net profit margin leveled with the number of last year due to the dilution of selling and administrative expenses resulting from rapid business growth. With continued improvement of working capital management and optimization of supply chain management, working capital management efficiency remained at a healthy level in the first half of 2013. As at 30 June 2013, the average account receivables turnover days were 163 days, a decrease of 7 days as compared with the same period last year; the average inventory turnover days rose by 13 days from the same period last year to 150 days; the average account payables turnover days were 167 days, an increase of 40 days from the corresponding period last year.

**Mr. LUO Lin, Chairman of Antonoil**, said: "Looking ahead, natural gas continues to grow rapidly in the domestic market, while the overseas markets develop steadily. We are accelerating the improvement of the integrated service model. On the one hand, we have actively invested in regular services equipment to close the capability gaps in regular services. On the other hand, we have been strengthening the capabilities for reservoir evaluation and analysis. Last but not the least, we have intensified the recruitment and trainings of talents, with a view to powering growth through talents and technology towards becoming a larger-scale, asset-light integrated service provider. "

~ End ~

**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 development technical services to oil companies. Its services and solutions span across the drilling technology, well completion, down-hole operation, and oil production stages in the development process. Its fast growth benefits from the expanding development of natural gas in China and the Group's increasing presence in the overseas markets. At the same time, Antonoil 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.

Antonoil 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 enquiries, please contact Hill+Knowlton Strategies**

Alman Loong
Direct: (852) 2894 6200
E-mail: alman.loong@hkstrategies.com

Ho Kang
Direct: (852) 2894 6257
E-mail: ho.kang@hkstrategies.com