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ANTON 安東

安東油田服務集團
Anton Oilfield Services Group

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3337)

ISSUANCE OF US\$300 MILLION 7.50% SENIOR NOTES DUE 2022

Reference is made to the announcement of the Company dated 15 November 2019 in respect of the Notes Issue.

The Board is pleased to announce that on 21 November 2019, the Company, the Subsidiary Guarantors, Nomura, Admiralty Harbour and UBS have entered into the Purchase Agreement in connection with the Notes Issue in the aggregate principal amount of US\$300 million.

THE PURCHASE AGREEMENT

Date: 21 November 2019

Parties to the Purchase Agreement

- (a) the Company as the issuer;
- (b) the Subsidiary Guarantors;
- (c) Nomura;
- (d) Admiralty Harbour; and
- (e) UBS.

Nomura, Admiralty Harbour and UBS have been appointed as the joint global coordinators, joint bookrunners and joint lead managers of the Notes Issue. The joint lead managers are also the initial purchasers of the Notes. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, each of Nomura, Admiralty Harbour and UBS is an independent third party and not a connected person of the Company.

The Notes have not been, and will not be, registered under the U.S. Securities Act or any state securities laws and, unless so registered, may not be offered or sold within the United States or to U.S. persons (as defined in Regulation S under the U.S. Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Accordingly, the Notes are being offered and sold only to non-U.S. persons outside the United States in compliance with Regulation S under the U.S. Securities Act. None of the Notes will be offered to the public in Hong Kong and none of the Notes will be placed with any connected persons of the Company.

PRINCIPAL TERMS OF THE NOTES

Notes Offered

Subject to certain conditions to completion, the Company will issue the Notes in the aggregate principal amount of US\$300 million which will mature on 2 December 2022, unless earlier redeemed pursuant to the terms thereof.

Issue Price

The issue price of the Notes will be 99.015% of the principal amount of the Notes.

Interest

The Notes will bear interest from and including 2 December 2019 at the rate of 7.50% per annum, payable semi-annually in arrears on 2 June and 2 December each year, commencing 2 June 2020.

Ranking of the Notes

The Notes are general obligations of the Company and are (a) senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes; (b) at least *pari passu* in right of payment with all other unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsecured, unsubordinated indebtedness pursuant to applicable law); (c) guaranteed by the Subsidiary Guarantors on a senior basis, subject to certain limitations; (d) effectively subordinated to all existing and future obligations of the subsidiaries of the Company which are not the Subsidiary Guarantors; and (e) effectively subordinated to all existing and future secured obligations of the Company to the extent of the value of the collateral securing such obligations.

Events of Default

The events of default under the Notes include, among others: (a) default in the payment of principal (or premium, if any); (b) default in the payment of interest or additional amounts and such default continues for a period of 30 consecutive days; (c) default in the performance or breach of the provisions of certain covenants, or the failure by the Company to make or consummate an offer to purchase in accordance with certain covenants; (d) default by the Company or certain of its subsidiaries in the performance of or breach of any other covenant or agreement in the Indenture or under the New Notes (other than the default specified in (a), (b) or (c) above); (e) default by the Company or certain of its subsidiaries in the repayment of indebtedness having, in the aggregate, an outstanding principal amount in excess of US\$15.0 million (or dollar equivalent thereof); (f) one or more final judgments or orders for the payment of money are rendered against the Company or certain of its subsidiaries and are not paid or discharged; (g) involuntary bankruptcy or insolvency proceedings against the Company or certain of its subsidiaries; (h) voluntary bankruptcy or insolvency proceedings commenced by the Company or certain of its subsidiaries or consent to the appointment of or taking possession by a receiver or similar official action or effect any general assignment for the benefit of creditors; or (i) any Subsidiary Guarantor denying or disaffirming its obligations under its guarantee guaranteeing the obligations of the New Notes, or except as permitted by the Indenture, any such guarantee being determined to be unenforceable or invalid or for any reason ceasing to be in full force and effect.

If an event of default occurs and is continuing, the trustee or the holders of at least 25% in aggregate principal amount of the New Notes, then outstanding, may declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable.

Covenants

The Notes, the Indenture and the guarantees provided by the Subsidiary Guarantors will limit the Company's ability and the ability of certain of its subsidiaries to, among other things:

- (a) incur additional indebtedness and issue preferred stock;
- (b) make investments or other specified restricted payments;
- (c) guarantee indebtedness;
- (d) enter into certain transactions with affiliates;
- (e) create liens;
- (f) enter into sale and leaseback transactions;
- (g) sell assets;
- (h) enter into agreements that restrict the ability of certain of the Company's subsidiaries to pay dividends;
- (i) issue and sell capital stock of certain of its subsidiaries;
- (j) effect a consolidation or merger; and
- (k) engage in different business activities.

Optional Redemption for the Notes

At any time and from time to time on or after 2 December 2021, the Company may at its option redeem the Notes, in whole or in part, at a redemption price equal to 103.75% of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date.

At any time and from time to time prior to 2 December 2021, the Company may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of principal amount of the Notes redeemed, plus the applicable premium as of, and accrued and unpaid interest (if any) to (but not including) the redemption date.

In addition, at any time and from time to time prior to 2 December 2021, the Company may redeem up to 35% of the aggregate principal amount of the Notes with the net proceeds of one or more sales of common stock of the Company in an equity offering at a redemption price of 107.50% of the principal amount of the Notes redeemed, plus accrued and unpaid interest (if any) to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the New Notes issued on the Original Issue Date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

PROPOSED USE OF PROCEEDS

The Group intends to use the net proceeds of the Notes Issue primarily for refinancing its existing indebtedness. The Group may adjust the plans in response to changing market conditions and thus reallocate the use of the proceeds.

INFORMATION ABOUT THE COMPANY

The Company is a leading independent integrated oilfield services provider in the PRC with its business running globally. The Company offers integrated oilfield services and products covering full cycle of oil and gas field development.

LISTING OF NOTES

The Company will seek a listing of the Notes on the Stock Exchange. A confirmation of the eligibility for the listing of the Notes has been received from the Stock Exchange. Admission of the Notes to the Stock Exchange is not to be taken as an indication of the merits of the Company or the Notes.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Admiralty Harbour” Admiralty Harbour Capital Limited;

“Board” the board of Directors;

“Company”	Anton Oilfield Services Group, a company incorporated in the Cayman Islands, the shares of which are listed on the main board of the Stock Exchange;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Indenture”	the written agreement among the Company, the Subsidiary Guarantors and the trustee that specifies the terms of the Notes including the interest rate and the maturity date of the Notes pursuant to which the Notes will be issued;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“Notes”	the US\$ denominated senior notes due 2022 in the aggregate principal amount of US\$300 million to be issued by the Company;
“Nomura”	Nomura International plc;
“Notes Issue”	the issue of the Notes by the Company;
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan;
“Purchase Agreement”	the agreement dated 21 November 2019 entered into by and amongst, the Company, the Subsidiary Guarantors, Nomura, Admiralty Harbour and UBS in relation to the Notes Issue;
“Regulation S”	Regulation S under the U.S. Securities Act;
“Subsidiary Guarantees”	the guarantees provided by the Subsidiary Guarantors;
“Subsidiary Guarantors”	certain existing subsidiaries of the Group providing the Subsidiary Guarantees;

“UBS”	UBS AG Hong Kong Branch (UBS AG is incorporated in Switzerland with limited liability);
“U.S. Securities Act”	the United States Securities Act of 1933, as amended;
“United States”	the United States of America;
“US\$”	United States dollar, the lawful currency of the United States; and
“%”	per cent.

By Order of the Board
Anton Oilfield Services Group
LUO Lin
Chairman

Hong Kong, 22 November 2019

As at the date of this announcement, the executive Directors are Mr. LUO Lin, Mr. PI Zhifeng and Mr. FAN Yonghong, the non-executive Director is Mr. John William CHISHOLM and the independent non-executive Directors are Mr. ZHANG Yongyi, Mr. ZHU Xiaoping and Dato WEE Yiau Hin.