

Immediate Release

23 March 2020



Anton Oilfield Services Group

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3337)

Anton Oilfield Announces Its 2019 Annual Results

Positive Free Cash Flow Significantly Increased by 450.7% to RMB238.8 Million, Reaching a Record High

(Hong Kong –23 March 2020) **Anton Oilfield Services Group** (“**Anton Oilfield**” or the “**Group**”; Hong Kong Stock Exchange Stock Code: 3337), a leading independent oil and gas fields technical services provider, is pleased to announces the unaudited condensed consolidated interim results of the Group for the one year ended 31 December 2019 (the “Reporting Period”).

During the Reporting Period, revenue of the Group increased by 22.3% from RMB2,935.9 million in 2018 to RMB3,589.5 million in 2019. Profit attributable to equity holders of the Company increased by 20.8% from RMB222.4 million in 2018 to RMB268.6 million in 2019.

China Market Breaks Through Bottlenecks, Achieves Leapfrog Growth

Relying on the Group’s advanced high-end oil-based drilling fluids, drilling acceleration technology, coiled tubing and other superior technologies, the Group’s business in the northwest Xinjiang market grew rapidly. For the southwestern gas market, through resource integration, the Group’s market share for integrated drilling projects ranked first among private service companies without extra heavy equipment.

In the whole year of 2019, the company received new orders in the China market of approximately RMB2,763.0 million, increasing by about 90.8% compared with RMB1,448.2 million of the same period last year, and achieving significant increase in order quality than 2018. In 2019, it has recorded revenue of approximately RMB1,683.4 million, a significant increase of 55.3% from last year’s RMB1,083.7 million.

The Iraqi Market Creating Enormous Values for Customers, Receiving High Praise

The Group's large-scale integrated oilfield management project in Iraq has been running smoothly for one and a half years. With high standards and high-quality management, it has helped customers improve the efficiency of oilfield operations, receiving high praise and support by the customer. For other projects, the Group's operated in other oil fields with traditional competitive advantages, operated smoothly and continued to gain new workload.

In 2019, the Company obtained a total of approximately RMB2,137.2 million of new orders in the Iraqi market, an increase of approximately 22.8% compared to RMB1,740.5 million in the same period last year; the Company recorded revenue of approximately RMB1419.8 million, an increase of approximately 21.3% from the RMB1,170.6 million in the same period last year.

The Emerging Market Achieves Breakthrough in "Asset-Light" Oilfield Management Model

In 2019, under the business philosophy of comprehensively focusing on "cash flow and return on equity" as the core growth goal, the Group adopted proactive project quality management in emerging markets around the world and prudently conducted the market expansion on the premise of fully safeguarding risks. During the year, the different markets in the region have experienced declines and increases. For regional markets such as Ethiopia and Kazakhstan, as the cash flow of some projects could not meet the management requirements of the Group, the Group voluntarily gave up the projects. For the premium African Chad market, the Group successfully replicate the large-scale integrated oilfield management service project model in Iraq and won the bid for integrated oilfield management service projects. The project has successfully ignited the CPF torch on February 2020, and officially entered into trial operation.

During the year, the Group's other overseas markets totaled new orders of approximately RMB955.2 million, an increase of approximately 10.2% from RMB866.5 million of the same period last year; it recorded revenue of approximately RMB486.3 million, about 28.7% lower than the RMB681.6 million in the same period last year.

Strictly Adhere to the "light-assets" Business Model, Reach "The Highest Cash Flow in History"

In 2019, although the overall business volume of the Group has increased significantly, it continued to strictly control its new capital expenditures in accordance with the requirements of the "asset-light" business model and the comprehensive

management control requirements with “cash flow” as its core. Non-essential investment requirements are met by leasing or allocating resources from partners. The Group’s core operating indicator “cash flow” has grown strongly, and has achieved positive free cash flow in the first half of the year, while increasing significantly compared to 2018 by 450.7%, reaching RMB238.8 million, the highest in the history of the Group.

Outlook

The Group will continuously and more firmly execute its operating and management principle of taking “cash flow” and “ROE” as the core, faster its capital turnover, tighten the control of capital expenditure and lower its costs through every measure.

It would vigorously advance its information management reform to improve the management efficiency, and meanwhile promotes the execution of the restricted stock incentive plan to make higher consistency of interests between the Group and its employees and encourage the staffs to proactively grow together with Group, continuous strive for best results, tackling the difficulties altogether and actively pursuing new breakthroughs, pass through the industry downturn.

In terms of markets, in the Iraqi market, the Group has received written confirmation from the customer in advance that it will automatically renew the 2-year contract after its expiry on July 1, 2020 for one year. The Group is confident to rely on quality management to continue to create value for customers and strive to provide long-term and continuous management services for the oilfield. In addition, the Group will make every effort to expand towards the markets of other international oil companies in Iraq, actively seek cooperation opportunities with more international oil companies. In the domestic market, the Group will continue to fully cooperate with customers’ needs, give full play to its technological advantages in the oil and gas development market, especially the natural gas market and unconventional energy markets, and provide high-end high-quality comprehensive integrated technical services to help customers quickly increase production capacity and maximize their oil and gas resource value.

In terms of product, technology and service capabilities, the Group will make every effort to build accurate engineering and technical services and a full range of products with geological technology at the center and by focusing on all aspects of oil and gas development and combining geology and engineering. While focusing on the development of oilfield management services and oilfield technology services as two major industries, it is also actively developing two small businesses but high in terms of return on capital: inspection and asset leasing services.

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About Anton Oilfield Services Group

Anton Oilfield Services Group (HK.03337) is a global leading integrated oilfield technology service company that provides a full range of products and services for oil and gas development, with business throughout the world's major oil and gas production areas. The Group is an innovative company combined with the geological engineering and features production increase, cost reduction and integration. The Group is committed to the in-depth development of global oil and gas development in emerging markets. Its business covers more than 30 countries and regions, forming a rapidly responsive global service support system. The Group provides a full range of products and services to help customers maximize the value of oil and gas assets. The Group's products and services include products and services for the whole process of oil and gas development, a full range of professional resource services for oil and gas development, and integrated services in various forms.

This press release is issued by **Wonderful Sky Financial Group Ltd.** on behalf of **Anton Oilfield Services Group**

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