

[For Immediate Release]



## Anton Oilfield Announces Strategic Framework & 2013 Strategy Update

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### Enhance Integrated Services Capabilities with Stronger Regular Services to Boost Fast Growth

(Hong Kong, January 22, 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 strategic framework and 2013 strategy update which details the Group’s strategic highlights in the areas of markets, products, strategic resource alignment and financial management. To boost fast growth and long-term development, the Group will push ahead with the strategic management and control system that fully aligns corporate management with the setting up and fulfillment of strategic objectives so as to ensure the Group’s fast and sustainable growth.

#### Drive Dual Growth Engines – Domestic Natural Gas and Overseas Markets

In the domestic market, favorable policies in natural gas were introduced one after another, exploration and production (E&P) activities went up substantially, and the Group expects the domestic E&P market to go through further opening. Meanwhile, unconventional gas will remain a spotlight in E&P investment. This year, Anton Oilfield continues to place a strong emphasis on natural gas business with a particular focus on unconventionals and further consolidate its leading market position in the Tarim, Erdos and Sichuan basins. The Group will also forge strategic partnership with and supplement the service capacity of state-owned oilfield services companies as a key business development strategy.

In the overseas market, thanks to the accelerated E&P spending of Chinese investors, technical services demand in the overseas market remains robust. The Group will adhere to the “follow-up” strategy and strengthen the position in existing markets, further increasing business volume in the Middle East region, making every effort to push ahead with the Latin American market strategy, while starting cooperation with other national oil companies.

#### Strengthen Service Capacity for Regular Services; Continue to Drive Integrated Service Strategy

Anton Oilfield will strengthen the construction of service capacity targeting regular markets and enhance its integrated service capabilities. In 2013, the Group’s five star services comprise oil-based drilling fluid and directional drilling services under the drilling technology cluster, and horizontal well multistage fracking, pressure pumping and coiled tubing services under the downhole operation cluster.

The product development highlights are detailed as follow:

In the drilling technology cluster, the Group will promote integrated services to boost the demand for single services, grow the drilling turnkey business through the addition of land rigs, strengthen the service capacity of directional drilling so as to achieve self-sufficiency in directional drilling

apparatus, and broaden the application of oil-based drilling fluid service in extended regions and markets. As for the well completion cluster, the Group will accelerate the construction of Tianjin well-completion tools testing, experiment and assembly base, and strengthen building of self-sufficiency capacity. In the down-hole operations cluster, the Group will maintain its market leadership position in multistage fracking services and promote new fracking techniques along with their applications, continue to invest in pressure pumping equipment to enhance its service capacity, continue to invest in coiled tubing equipment and develop new techniques, and promote self-developed new materials and chemical products. In the tubular services cluster, the Group will invest in leasing resources and vigorously develop the leasing business, while enhancing testing and repairing capabilities.

### **Facilitate Strategic Resource Alignment**

The Group will make every effort to strengthen strategic resource alignment to support the achievement of its fast-growth target.

In human resources, the Group will construct its strategic human resource framework based on the “Talents First” strategy to support the business’ sustainable growth. This year, Anton Oilfield will recruit a large number of graduates and train them as well-site engineers at faster pace, aiming to provide a solid backup for the Group’s site operations. As for management talents, the Group will actively recruit top-notch talents with international experience in core areas and strengthen the identification and training of potential management candidates.

In capital expenditure allocation, the Group will continue to invest in pressure pumping equipment, directional drilling equipment and coiled tubing equipment, and make appropriate investment in land rigs to propel rapid development in turnkey drilling business. In the meantime, the Group will look for M&A and partnership opportunities that fit in the Group’s integrated business strategy which may expand the product line, enhance in-house capacity or provide access to new markets. For R&D investment, the Group will conduct targeted R&D in major technology applications.

### **Achieve Fast Growth in Revenue and Stable Profitability**

Anton Oilfield will continue to develop new product services and explore new markets to achieve fast growth in revenue, and stable profitability through strengthened cost control and enhanced efficiency. In addition, the Group will utilize different debt financing channels including medium-term notes, supply chain financing and financial leasing to provide adequate sources of capital for the Group’s business development.

Anton Oilfield Chairman, Mr. LUO Lin said, “In 2013, we will continue to strengthen the construction of regular service capacity, including pressure pumping in downhole operations and drilling services; further enhance our in-house capacity and cost competitiveness through R&D and investment in resource alignment; focus on forging strategic alliances from the market development perspective; and stick to our *Talents First* strategy to accomplish successful execution of our pre-defined strategy.”

The presentation slides of the Company’s strategic framework and 2013 strategy update is available at [www.antonoil.com](http://www.antonoil.com).

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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 development services to oil companies. Its services and solutions span across the drilling technology, well completion, downhole operation, and oil production phases in the development cycle. 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 enquiries, please contact Hill+Knowlton Strategies**

Alman Loong

Direct: (852) 2894 6200

E-mail: [alman.loong@hkstrategies.com](mailto:alman.loong@hkstrategies.com)

Cindy Shi

Direct: (852) 2894 6372

E-mail: [cindy.shi@hkstrategies.com](mailto:cindy.shi@hkstrategies.com)