

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



安東油田服務集團
Anton Oilfield Services Group
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 3337)

ANNOUNCEMENT

PROPOSED ISSUE OF MEDIUM-TERM NOTES IN THE PRC BY ANTON OILFIELD SERVICES (GROUP) LIMITED, A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY

The Board has resolved that Anton Oil, a wholly-owned subsidiary of the Company incorporated in the PRC will, beginning on or about 17 May 2012, commence marketing of the First Notes to investors in the inter-bank market in the PRC.

The terms of the First Notes, including the interest rate, will be determined through a book building exercise and is subject to market conditions and investors' interest. The Company will make further announcement when the terms of the First Notes are fixed.

As the proposed issue of the Medium-term Notes may or may not materialize. Shareholders and investors are reminded to exercise caution when dealing in the securities of the Company.

The Board has resolved that Anton Oil, a wholly-owned subsidiary of the Company incorporated in the PRC will, beginning on or about 17 May 2012, commence marketing of the First Notes with a principal amount of RMB300,000,000 to investors in the inter-bank market in the PRC. The First Notes are of three-year term and form part of the facility of the Medium-term Notes of Anton Oil.

The Medium-term Notes with a facility of an aggregate principal amount of RMB500,000,000 have been registered with the National Association of Financial Market Institutional Investors of the PRC (中國銀行間市場交易商協會), and have

term of three years from the date of each issue. Depending on market conditions, Anton Oil may until 25 March 2014, being the validity of the registration of the Medium-term Notes, determine the time and size of each issue. After the issuance of the First Notes, Anton Oil may within the validity of the registration, determine whether or not to issue, and the terms of, further notes.

The Medium-term Notes will be sold to investors in the inter-bank market in the PRC and will not be extended to the general public. The proceeds from the issue of the Medium-term Notes will be used for investments in operating fixed assets and to supplement general working capital.

In accordance with the relevant rules and regulations in the PRC, relevant documents in relation to Anton Oil and the First Notes will be published on the websites of China Bond (<http://www.chinabond.com.cn>) and ChinaMoney (<http://www.chinamoney.com.cn>). Shareholders and investors are reminded that such documents were prepared in accordance with the requirements in the PRC and is limited solely to Anton Oil, and the information contained therein does not provide a full picture of the operation or status of the Group.

The terms of the First Notes, including the interest rate, will be determined through a book building exercise and is subject to market conditions and investors' interest. The Company will make further announcement when the terms of the First Notes are fixed.

Anton Oil has been rated with an "AA-" rating by China Cheng Xin International Credit Rating Co. Ltd, a member of Moody's Corporation, for both the entity rating of Anton Oil and the credit rating for the First Notes in the PRC, based on which The National Association of Financial Market Institutional Investors of the PRC (中國銀行間市場交易商協會) has accepted the application of Anton Oil for the issuance.

The issue of the Medium-term Notes is part of the Group's financing strategy. In view of the characteristics of this financial instrument, the Board is of the view that the successful registration and issue of the Medium-term Notes will bring the following benefits to the Group:

1. The Medium-term Notes offer lower costs compared with other bank loans of similar term and therefore can be adopted to reduce the finance costs of the Group;
2. The proposed issue of the Medium-term Notes makes available to Anton Oil a facility with the aggregate principal amount of RMB500,000,000 to be issued

from time to time in multiple tranches. It enhances the flexibility of financing because it allows Anton Oil to determine the time and size of each issue at its discretion according to its capital planning and the prevailing market condition;

3. Each issue has a term of three years and, with its long-term debt funding, the successful issue will diversify the debt structure of the Group and reduce the exposure to financial risks;
4. The successful registration was a proven recognition from the National Association of Financial Market Institutional Investors of the PRC and authoritative rating agency. It will enhance the branding of Anton Oil among the financial institutions in the interbank market in the PRC, thereby broadening its financing channels and providing more funding resources in the future.

In view of such benefits, the Directors (including the independent non-executive Directors) consider that the proposed issue of the Medium-term Notes is in the interest of the Company and its Shareholders as a whole.

As the proposed issue of the Medium-term Notes may or may not materialize. Shareholders and investors are reminded to exercise caution when dealing in the securities of the Company.

GENERAL

The Group is principally engaged in the provision of oilfield technical services in the PRC and other overseas countries.

DEFINITIONS

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

“Anton Oil”	Anton Oilfield Services (Group) Limited* (安東石油技術(集團)有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of the Company;
“Board”	the board of directors of the Company;
“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;
“Director(s)”	the director(s) of the Company;

“First Notes”	the first tranche of the Medium-term Notes of RMB300,000,000 to be sold by Anton Oil;
“Group”	the Company and its subsidiaries;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited;
“Medium-term Notes”	three year medium-term notes of RMB500,000,000 in principal amount proposed to be issued by Anton Oil;
“PRC”	the People’s Republic of China and, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	shareholder(s) of the Company; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

By order of the Board
Anton Oilfield Services Group
Luo Lin
Chairman

Hong Kong, 17 May 2012

As at the date of this announcement, the executive Directors are Mr. Luo Lin, Mr. Wu Di and Mr. Liu Enlong; and the independent non-executive Directors are Mr. Zhang Yongyi, Mr. Zhu Xiaoping and Mr. Wang Mingcai.

** for identification purpose*