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ANTON OILFIELD SERVICES GROUP

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3337)

DISCLOSEABLE TRANSACTION

The Board wishes to announce that on 7 March 2008, Anton Oil, a wholly owned subsidiary of the Company, and the Vendors entered into the Share Purchase Agreement, pursuant to which the Vendors agreed to sell and the Company agreed to purchase the Sale Shares, representing the entire registered capital of Jilin Dongxin at an aggregate consideration of RMB 36,500,000.

The Acquisition constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules. A circular containing, amongst other things, further details relating to the Acquisition will be despatched to the Shareholders as soon as practicable.

THE SHARE PURCHASE AGREEMENT

Date of the agreement

7 March 2008

Parties to the agreement

(1) Huang Bao;

Zhang Liru; and

Wang Yanqing

who are merchants and own the registered capital of Jilin Dongxin as to 65%, 16.8% and 18.2%, respectively; and

(2) Anton Oil, a wholly owned subsidiary of the Company

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, each of the Vendors is an independent third party not connected with the Company or any of its subsidiaries or any of their respective directors, chief executive or substantial shareholders or any of their respective associates. Prior to

the date of the Share Purchase Agreement, the Group had, in its ordinary and usual course of business, minor business transactions with Jilin Dongxin. Both Jilin Dongxin and the Group were providing oilfield services in the Jilin oilfields in China. The Vendors are oilfield services operators and collectively own the entire registered capital of Jilin Dongxin.

Assets to be acquired

Pursuant to the Share Purchase Agreement, the Company will acquire the entire registered capital of Jilin Dongxin.

The profits before and after tax of Jilin Dongxin are as follows:

	For the year ended 31 December 2006 (Unaudited) RMB'000	For the year ended 31 December 2007 (Audited) RMB'000
Profits before tax	2,013	11,810
Profits after tax	1,882	7,524

The audited total asset and net asset of Jilin Dongxin as at 31 December 2007 were approximately RMB 18,290,000 and RMB 12,968,000, respectively.

Consideration

The aggregate consideration for the acquisition of the Sale Shares is RMB 36,500,000 and was determined after arm's length negotiation with reference to Jilin Dongxin's after-tax profit in 2007 and its latest audited net asset value, and taking into consideration the findings of the Company on multiples of earnings in acquisition of this nature in the PRC.

The Company completed its global offering and the shares of the Company were listed on the Stock Exchange on 14 December 2007. As at the date of this announcement, the Company is still in the process of completing its foreign exchange registration procedures in the PRC and proceeds from the global offering have not been remitted into the PRC. In this connection, the Acquisition will not be funded from the proceeds of the Global Offering and the consideration will be satisfied by internal resources of the Group and is payable in accordance with the following schedule:

- a 1st payment of RMB 5,000,000 is payable by Anton Oil to the Vendors within 15 Business Days of the signing of the Share Purchase Agreement;

- a 2nd payment of RMB 16,500,000 is payable by Anton Oil to the Vendors upon satisfaction of the 1st completion conditions set out below;
- a 3rd payment of RMB10,000,000 is payable by Anton Oil to the Vendors upon satisfaction of the 2nd completion conditions set out below; and
- a final payment of RMB 5,000,000 is payable by Anton Oil to the Vendors upon satisfaction of the 3rd completion conditions set out below.

Conditions

Completion of the Acquisition is conditional upon the fulfillment of the following conditions:

1st Completion Conditions — to be satisfied on or before 30 April 2008

- (1) Jilin Dongxin passing a shareholders' resolutions to adopt the restated and amended articles of association of Jilin Dongxin;
- (2) Anton Oil being registered as a shareholder of Jilin Dongxin;
- (3) Jilin Dongxin providing Anton Oil with a capital verification certificate;
- (4) Jilin Dongxin passing a shareholders' resolutions to appoint nominees of the Company as directors and supervisors;
- (5) Jilin Dongxin changing its registration particulars with the relevant administrative bureau for industry and commerce to reflect the Acquisition, and the changes of directors and supervisors;
- (6) Huang Bao entering into an employee service agreement with Jilin Dongxin;
- (7) Wang Yanqing resigning as the accountant and all other offices with Jilin Dongxin; and
- (8) There has been no breach of any of the representation or warranties by the Vendors.

2nd Completion Conditions — to be satisfied on or before 31 December 2008

- (1) Jilin Dongxin having collected all the Accounts Receivable outstanding as of 31 December 2007 in the amount of approximately RMB14.55 million; and
- (2) There has been no breach of any of the representation or warranties by the Vendors.

Should Jilin Dongxin fail to collect all of the Accounts Receivable by 31 December 2008, Anton Oil may elect to delay payment or adjust the consideration to be paid under this payment stage in the amount of RMB10 million by deducting the outstanding sum from the consideration to be paid on a dollar-to-dollar basis up to the limit of RMB10 million. Any outstanding sums that exceeded the maximum set-off amount of RMB10 million will be waived by the Company and carried forward as accounts receivable in the accounts of Jilin Dongxin. The Directors currently do not expect Jilin Dongxin would have any significant problems in recovering the outstanding receivables to the extent that would have a material adverse effect on the financial position of Jilin Dongxin.

3rd Completion Conditions — to be satisfied on or before 30 April 2009

- (1) The profit after tax of Jilin Dongxin for the year ended 31 December 2008 as audited by a firm of accountants appointed by the Company is not less than RMB 10,000,000.
- (2) There has been no breach of any of the representation or warranties by the Vendors.

The projected profit after tax of Jilin Dongxin for the year ending 31 December 2008 was determined by reference to the results of Jilin Dongxin for 2007. Should Jilin Dongxin fail to return a profit of RMB10 million for the year ending 31 December 2008, any shortfall will be deducted from the final payment in the amount of RMB5,000,000 to be paid to the Vendors on a dollar-to-dollar basis up to a limit of RMB5,000,000.

Termination

If any of the conditions above have not been satisfied within the schedule agreed between the parties or such later date as may be otherwise determined, Anton Oil has the right to terminate the Share Purchase Agreement. In such an event, the Vendors shall refund all payments made by Anton Oil prior to the termination without interest.

Jilin Dongxin

Jilin Dongxin was established on 1 September 2001, whose main businesses include providing acidization, well washing and chemical based enhanced oil recovery services.

As part of the 1st Completion Conditions, Huang Bao, one of the Vendors, will enter into an employee service agreement with Jilin Dongxin. The Directors

consider that the experience of Huang Bao in the oilfield services valuable and his engagement will be beneficial to the development of the Group. Huang Bao is currently a director and the general manager of Jilin Dongxin. It is planned that Huang Bao will become a district sales manager of the Group.

After completion of the Share Purchase Agreement, Jilin Dongxin will become a wholly owned subsidiary of Anton Oil.

Reason for the transaction

The Group is principally engaged in the provision of high-end oilfield services and products in the areas of well services, drilling services, production services and field services. As the services being provided by Jilin Dongxin can compliment and enhance the oilfield services being provided by the Group, the Directors consider the acquisition a good strategic fit and can help further enhance the Group's service capability and market position in the Northeast Region of the PRC.

The Directors (including the independent non-executive Directors) consider that the Share Purchase Agreement has been made on normal commercial terms and that such terms are fair and reasonable so far as the Company and the Shareholders are concerned and that the entering into of the Share Purchase Agreement is in the interest of the Company and the Shareholders as a whole.

GENERAL

The transactions contemplated under the Share Purchase Agreement constitute a discloseable transaction for the Company under Rule 14.06 of the Listing Rules. A circular containing, amongst other things, further details relating to the Acquisition will be dispatched to the Shareholders as soon as practicable.

DEFINITIONS

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

“Accounts Receivable”	the outstanding accounts receivable of Jilin Dongxin as stated in its audited financial statement for the year ended 31 December 2007
“Acquisition”	the acquisition of the Sale Shares by the Company from the Vendors in accordance with the terms of the Share Purchase Agreement

“Anton Oil”	安東石油技術(集團)有限公司 (Anton Oilfield Services (Group) Limited), an indirect wholly owned subsidiary of the Company established in the PRC
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Business Day”	a day on which banks are open for business in the PRC
“Company”	Anton Oilfield Services Group, a company incorporated in the Cayman Islands, the securities of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Jilin Dongxin”	吉林東新石油工程技術有限公司 (Jilin Dongxin Oil Engineering Technology Co. Ltd.), a limited liability company incorporate in the PRC which engages in the business of oilfield services
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	the entire registered capital of Jilin Dongxin to be sold by the Vendors to Anton Oil in accordance with the terms of the Share Purchase Agreement
“Shareholder(s)”	holder(s) of Shares
“Share Purchase Agreement”	the agreement dated 7 March 2008, entered into between the Vendor and the Company in respect of the Acquisition
“Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendors”	Huang Bao, Zhang Liru and Wang Yanqing, three PRC nationals who collectively own the entire registered capital of Jilin Dongxin
“%”	per cent.

For illustration purposes, amounts in RMB in this announcement have been translated into HK\$ at RMB1 = HK\$1.094.

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

Hong Kong, 11 March 2008

As at the date of this announcement, the Board of Directors of the Company comprises of Mr. Luo Lin, Mr. Ma Jian, Mr. Pan Weiguo being the Executive Directors, and Mr. Zhang Yongyi, Mr. Zhu Xiaoping and Mr. Wang Mingcai being the Independent Non-executive Directors.