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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)

Voluntary Announcement Acquisition of 55% Equity Interest in the Target Companies

This announcement is made by the Company on a voluntary basis.

The Board is pleased to announce that on 11 January 2015, the Group entered into an agreement with the sellers on the acquisition of a 55% equity interest in the Target Companies at a total consideration of RMB100,550,000.

This announcement is made by Anton Oilfield Services Group (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) on a voluntary basis.

Introduction

The Company’s board of directors (the “**Board**”) is pleased to announce that on 11 January 2015, the Group entered into an agreement (“**Transaction Agreement**”) with the Sellers (the “**Sellers**”), who are independent third parties, for the acquisition of 55% equity interest in two companies newly established by the Sellers in the PRC and Hong Kong respectively (the “**Target Companies**”). The Sellers will transfer operating assets and business of Beijing KMS Oilfield Chemicals and Technology Ltd. (北京科麥仕油田化學劑技術有限公司)(“**KMS**”) to the Target Companies prior to completion of the transaction. The Target Companies will be mainly engaged in the oilfield chemical business.

Transaction Agreement

Date : 11 January 2015

Parties : (1) The Group
(2) The Sellers

To the best of the Company's directors' (the "**Directors**") knowledge, information and belief having made all reasonable enquiry, the Sellers are third parties independent of the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**").

Subject Matter : 55% equity interest in the Target Companies. As at the time of the Acquisition, the assets that will comprise that of the Target Companies had net asset value of no less than RMB60,000,000.

Consideration : The consideration payable by the Group for the Acquisition is the aggregate amount of RMB100,550,000, having been negotiated and determined on an arm's length basis between the Sellers and the Group. According to the terms of the Transaction Agreement, the Sellers have warranted that the audited consolidated after tax profit of the Target Companies for the period from 1 January 2015 to 31 December 2015 shall not be less than RMB30,000,000, and the Sellers shall compensate the Group according to the Transaction Agreement if such target cannot be met.

The Group will effect the payment of the said consideration in installments in accordance with the terms of the Transaction Agreement.

Summary of the Target Companies and the scope and strengths of the Target Business

KMS is a technology leader in oilfield chemicals in China. Its core management teams are the recipient of multiple national and provincial awards on scientific and technological inventions. The Target Companies enjoy technology and R&D strengths on oilfield chemicals in such areas as reservoir reformation, sand control and reservoir protection. By leveraging on the Group's existing marketing network, the Target Companies could enhance their market presence while expanding to new domestic and overseas markets. In the area of technology, the Target Companies will build upon their existing mature products and intensify their R&D investment to maintain their technological leadership.

Reasons and benefits of the Acquisition

The Group's down-hole operation chemicals product line (the "**Product Line**") commenced operation in the first half of 2014, offering R&D, production and technical services for down-hole chemicals in acidizing and fracturing operations. After the Acquisition, the Target Companies will strengthen the Product Line in terms of product portfolios and R&D. Meanwhile, the promising synergies formed between the Target Companies and the Group's other down-hole product lines, especially the fracturing services of the Group, will help the Group to refine its integrated stimulation service capabilities ranging from fracturing designing, tools to chemicals and equipment capacity, and to focus on integrated stimulation service, a critical customer need among stimulation, optimization, cost reduction, safety and environmental friendliness, and build a more robust and comprehensive value chain for stimulation service.

Listing Rules implications

As the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition are all below 5%, the Acquisition does not constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules. This announcement is made by the Company on a voluntary basis.

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

Hong Kong, 12 January 2015

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