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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)

REVISION OF ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS

*Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders*



PLATINUM
Securities

A letter from the Board is set out on pages 1 to 10 of this circular and a letter from the Independent Board Committee containing its recommendations to the Independent Shareholders is set out on pages 11 to 12 of this circular. A letter from Platinum Securities, the independent financial adviser to the Independent Board Committee and the Independent Shareholders, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 13 to 22 of this circular.

A notice convening the Extraordinary General Meeting of the Company which is to be held immediately after the conclusion of the annual general meeting of the Company which is scheduled to be held at 10 a.m. on Thursday, 26 May 2016 at No. 8 Pingcui West Road, Donghuqu, Chaoyang District, Beijing is set out on pages 27 to 28 of this circular. A form of proxy for use at the Extraordinary General Meeting is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk). Whether or not you are able to attend the Extraordinary General Meeting, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Extraordinary General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the Extraordinary General Meeting or any adjournment if they so wish.

11 May 2016

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DEFINITIONS

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

“2015 Master Agreement”	the master mutual supply and purchase agreement dated 23 December 2015 between the Company and Schlumberger;
“Affiliates”	all companies from time to time directly or indirectly owned or controlled by Schlumberger Limited, where “control” means the holding of 30% or more of the shares, stock or voting rights of such company;
“associate”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“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;
“connected person”	has the same meaning as given to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Extraordinary General Meeting”	an extraordinary general meeting of the Company to be convened to approve the Supplemental Agreement;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Board Committee”	an independent committee of the Board, comprising all the independent non-executive Directors, established to advise the Independent Shareholders in relation to the Supplemental Agreement and the revision to the annual caps of the continuing connected transactions under the 2015 Master Agreement;
“Independent Financial Adviser” or “Platinum Securities”	Platinum Securities Limited, a corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, and the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Agreement and the revision to the annual caps of the continuing connected transactions under the 2015 Master Agreement;
“Independent Shareholders”	shareholders of the Company other than Schlumberger and its associates;

DEFINITIONS

“Latest Practicable Date”	9 May 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China (for the purposes of this circular, excludes Hong Kong, the Macao Special Administrative Region and Taiwan);
“Products”	relevant products required for the provision of oilfield services;
“Schlumberger”	Schlumberger Far East Inc., a company established in the British Virgin Islands, a substantial shareholder interested in approximately 19.10% of the issued share capital of the Company;
“Schlumberger Group”	Schlumberger and the Associates;
“Services”	relevant labour and technical services required for the provision of oilfield services;
“Share(s)”	ordinary share(s) of nominal value of HK\$0.10 each in the capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder”	has the same meaning ascribed to it under the Listing Rules;
“Supplemental Agreement”	the supplemental agreement to the 2015 Master Agreement dated 13 April 2016 entered into between the Company and Schlumberger; and
“%”	per cent.

LETTER FROM THE BOARD

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)

Executive Directors:

Mr. Luo Lin

Mr. Wu Di

Mr. Pi Zhifeng

Registered Office:

P.O. Box 309, Uglan House

Grand Cayman KY1-1104

Cayman Islands

Independent Non-executive Directors:

Mr. Zhang Youngyi

Mr. Zhu Xiaoping

Mr. Wang Mingcai

Principal place of business in

Hong Kong:

Unit 2109 Cosco Tower

183 Queen's Road Central

Hong Kong

11 May 2016

To: the Shareholders

Dear Sir or Madam,

REVISION OF ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

Reference is made to the announcement of the Company dated 23 December 2015 in relation to the continuing connected transactions under the 2015 Master Agreement.

The Board announced on 13 April 2016 that the Company and Schlumberger entered into the Supplemental Agreement to revise the annual caps of the continuing connected transactions under the 2015 Master Agreement.

The purposes of this circular are:

- (a) to provide you with further information relating to the 2015 Master Agreement and the Supplemental Agreement and the revision to the annual caps in relation to the continuing connected transactions under the 2015 Master Agreement;

LETTER FROM THE BOARD

- (b) to set out the recommendations of the Independent Board Committee relating to the 2015 Master Agreement and the Supplemental Agreement and the revision to the annual caps in relation to the continuing connected transactions under the 2015 Master Agreement;
- (c) to set out the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders relating to the 2015 Master Agreement and the Supplemental Agreement and the revision to the annual caps in relation to the continuing connected transactions under the 2015 Master Agreement; and
- (d) to give you notice of the Extraordinary General Meeting to consider and, if thought fit, to approve the Supplemental Agreement and the revision to the annual caps in relation to the continuing connected transactions under the 2015 Master Agreement.

THE 2015 MASTER AGREEMENT

On 23 December 2015, the Company and Schlumberger entered into the 2015 Master Agreement pursuant to which the Group agreed to supply the Products and Services to the Schlumberger Group and Schlumberger agreed to supply and will procure its Affiliates to supply the Products and Services to the Group. The Products and Services are products and services to be provided or procured by the Group in relation to drilling technology, well completion, down-hole operation and integrated services categories of oilfield services, as well as other oilfield services related to the business of the Group.

As Schlumberger is a substantial shareholder of the Company, the transactions under the 2015 Master Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

The 2015 Master Agreement has a term of three financial years ending 31 December 2018, subject to, among other things, the aggregate annual transaction amounts not being exceeded for each of the financial years of the term of the 2015 Master Agreement.

Pursuant to the 2015 Master Agreement, the pricing and payment terms of the Products and Services will be negotiated on an arm's length basis between the parties and the pricing will be determined based on normal commercial terms with reference to the prevailing market prices of similar products and services that are fair and reasonable.

The basis of determining the prices for the Products and Services to be supplied by the Company or Schlumberger or Affiliates under the 2015 Master Agreement will be in accordance with the prevailing market prices of similar products or services and on the following principles:

- (i) by reference to the prevailing market price of the same or substantially similar products or services, taking into account of the price of the same or substantially similar products or services with comparable order quantities and quality offered by other purchasers;

LETTER FROM THE BOARD

- (ii) if there are not sufficient comparable transactions in (i) above, on normal commercial terms comparable to those offered to/received from independent third parties in respect of the same or substantially similar products or services with comparable quantities; and
- (iii) if both (i) and (ii) above are not applicable, by reference to the average price of similar products or services previously supply by a party, and on normal commercial terms comparable to those offered by the relevant party to independent third parties.

In determining the prevailing market price for the Services or Products for a particular contract, the Company will:

- (a) in respect of procurement of Services or Products from Schlumberger or Affiliates, invite quotations from independent suppliers to give a reference on the prevailing market prices for the relevant services or products to be procured from Schlumberger or Affiliates. Such quotations will be reviewed and evaluated from both the technical and commercial perspectives by qualified personnel of the Company to ensure that the Services or Products to be procured from Schlumberger or Affiliates are comparable to the prices for such services or products being offered by independent third parties; and
- (b) in respect of provision of Services or Products to Schlumberger or Affiliates, evaluate and assess the scope of the relevant project and prepare a detailed cost calculation by reference to cost of materials, products and labours, technical difficulties and expertise involved, quotes of the Group to other independent third party customers and the level of fees charged by competitors of the Group in the market (if available) to ensure that the prices of the Services or Products that the Group will be charging Schlumberger or Affiliates are competitive and comparable to those being offered to independent third party customers of the Group.

The Group will seek to obtain market price information through various channels. It will normally consider at least two comparable transactions with independent third parties during the same period, keep regular contacts with and from time to time obtain price quotations through enquiries from established suppliers of similar scale, conduct market price research through various independent industry information vendors such as industry websites, and participate in activities and meetings organised by industry organisations.

Payment for the Products and Services supplied by the Group and Schlumberger or Affiliates will be settled on a project basis, provided that the terms of transactions are no less favourable than the terms provided to independent third party(ies).

LETTER FROM THE BOARD

Annual Caps under the 2015 Master Agreement:

The Group and Schlumberger established a joint venture in September 2012 (the “**Joint Venture**”) with a view to provide integrated project management services to oilfields in the PRC. The Joint Venture is owned as to 60% by Schlumberger and as to 40% by the Group and is an associate of Schlumberger for the purpose of the Listing Rules. The Group and Schlumberger entered into a master agreement in 2013 for the provision of Products and Services with the annual caps set at US\$80,000,000 for 2013 and rising to US\$120,000,000 in 2015. The annual caps were set with reference to the projected demand for the Group’s Products and Services from the potential projects to be undertaken by the Joint Venture, and sales of the Group’s Products and Services to Schlumberger and/or its Affiliates. Owing to the depressed oil prices and downturn in the oil industry in the PRC, the performance of the Joint Venture has fallen short of expectation. Moreover, as a result of the depressed oil prices and the resulting reduced activities by oil companies, purchases by the Group of Products and Services from Schlumberger have also fallen short of the original expectation. Thus, when the parties entered into the 2015 Master Agreement, the parties have agreed to adjust the annual caps downwards. The parties have agreed that the annual transaction amount under the 2015 Master Agreement will not exceed the following annual caps:

	For the year ended 31 December 2016 US\$'000	For the year ended 31 December 2017 US\$'000	For the year ended 31 December 2018 US\$'000
Supply of Products and Services by the Group to Schlumberger or Affiliates	7,000	7,000	7,000
Supply of Products and Services by Schlumberger or Affiliates to the Group	7,000	7,000	7,000

The annual caps of the 2015 Master Agreement were determined with reference to the historical transactional amounts between the Group and the Schlumberger Group as follows:

	For the year ended 31 December 2013 US\$'000	For the year ended 31 December 2014 US\$'000	For the year ended 31 December 2015 US\$'000
Supply of Products and Services by the Group to Schlumberger or Affiliates	1,092	7,681	657
Supply of Products and Services by Schlumberger or Affiliates to the Group	33,377	30,357	9,137

LETTER FROM THE BOARD

The transactions between the parties from the execution of the 2015 Master Agreement on 23 December 2015 up to the Latest Practicable Date based on Products delivered or Services provided (as opposed to contracts for Products or Services committed) are as follows and are within the annual cap set out for 2016 under the 2015 Master Agreement:

US\$'000

Supply of Products and Services by the Group to Schlumberger or Affiliates	25
Supply of Products and Services by Schlumberger or Affiliates to the Group	2,090

THE SUPPLEMENTAL AGREEMENT

In mid-January 2016, the Brent crude oil price experienced a sharp rebound following a three-year's continuous decline. The stabilisation and sudden rebound in oil prices served to release the pended-up demand for oilfield services, with the Group's new contracts for oilfield services for the first quarter 2016 having surged by more than 300% as compared with the same period in 2015. With this sudden turnaround in oil prices and the surged in new orders, which coupled with the Group's business plan of expanding its business overseas, the Company and Schlumberger expect that the annual transaction amount between the Group and Schlumberger under the 2015 Master Agreement will exceed the stated annual caps based on their respective business projections. Given that the 2015 Master Agreement has a term of three years and that the Company expects that the market environment in which the Company operates will continue to improve, the Company and Schlumberger have on 13 April 2016 entered into the Supplement Agreement to revise the annual caps under the 2015 Master Agreement as follows:

Supply of Products and Services by the Group to Schlumberger or Affiliates

	For the year ended 31 December 2016 <i>US\$'000</i>	For the year ended 31 December 2017 <i>US\$'000</i>	For the year ended 31 December 2018 <i>US\$'000</i>
Original annual caps	7,000	7,000	7,000
Revised annual caps	80,000	100,000	120,000

Supply of Products and Services by Schlumberger or Affiliates to the Group

	For the year ended 31 December 2016 <i>US\$'000</i>	For the year ended 31 December 2017 <i>US\$'000</i>	For the year ended 31 December 2018 <i>US\$'000</i>
Original annual caps	7,000	7,000	7,000
Revised annual caps	80,000	100,000	120,000

LETTER FROM THE BOARD

The revised annual amounts were determined with reference to the anticipated demand for Products and Services by the Group and Schlumberger, respectively. The revised annual caps represent a significant increase from the stated annual caps under the 2015 Master Agreement. In determining the revised annual caps, the Company has taken into consideration the expected demand for Products and Services by both the Group and Schlumberger in light of the significant increase in oilfield services orders in the first quarter of 2016. New oilfield services orders for the Group for the first quarter 2016 has surged by more than 300% as compared with the same period in 2015. With Brent crude oil prices increasing by 20% in the first three months of 2016, the Company expects that oil companies will gradually resume their exploration activities. The Company expects that with the recovery in oil prices and oil companies resuming their oilfield activities, which coupled with the pended up demands, will result in a significant increase in demand for oilfield services. As the 2015 Master Agreement has a term of three years to 31 December 2018, the Directors are of the view that it is necessary to increase the annual caps of the 2015 Master Agreement to meet the anticipated demand for Products and Services.

Moreover, despite the low international oil prices and the strain it caused on oil companies, oil exploration and development activity continued unabated in the Middle East on the back of a comparative cost advantage. As oil companies raised the bar on project development cost, oilfield services firms with Chinese background began to outperform and started to displace their international peers in some regional markets. Revenue contribution from the Group's overseas market increased rapidly in absolute term with the revenue ratio from the Group's overseas market increased from 48.9% in 2014 to 62.0% in 2015. The Group expects that its businesses in the overseas market, in particular in the Middle East, will continue to grow significantly, which in turn will lead to an increase in demand for Products and Services supplied by Schlumberger or its Affiliates to the Group. As Schlumberger is the leading oilfield services company in the world, the Company expects that there will be increased cooperation between the Company and Schlumberger, including an increase of supply of Products and Services by the Group to Schlumberger.

Similarly, the Company expects that PRC oil companies will resume their exploration work in the PRC as a result of the recovery in oil prices. The increased activities in the PRC might result in the Joint Venture gaining more jobs in the PRC and in turn increase the demand for the Group's Services and Products.

On 7 April 2016, the Company received from an international oil company the final signed contract for the provision of oil production and general maintenance services in Iraq. The contract has a contract value of US\$78.9 million, which confirms the Company's capabilities and demonstrates the Company's ability to compete effectively in the international market. Given that the international oil market has already been at a low level of nearly two years, the Company expects that the market will gradually recover, which will present more cooperation opportunities between the Group and Schlumberger and leading to more transactions between the parties.

Save for the revisions to the annual caps, the other terms of the 2015 Master Agreement remain unchanged.

LETTER FROM THE BOARD

Conditions

The Supplemental Agreement is conditional upon approval by the Independent Shareholders at a general meeting held in accordance with the requirements of the Listing Rules.

REASONS FOR THE TRANSACTION

The Schlumberger Group is a leading global oilfield services provider. Through purchasing Products and Services from the Schlumberger Group, the Group can introduce the technologies and global experience of the Schlumberger Group to assist customers in both PRC and global markets in developing oil and gas resources in a more efficient way.

Through selling Products and Services to the Schlumberger Group, the Group can apply its Products and Services more extensively in the Chinese and global markets to help customers reduce their costs in the use of technology, which is especially important for customers under such a low oil price environment.

The Group is a leading independent oilfield services provider in the PRC with growing market share in overseas markets. Through purchasing Products and Services from the Group, the Schlumberger Group can leverage on the Group's local experience, supply chain network and cost advantages in the PRC to help customers reduce their costs in the use of technology as well as reducing cost in the overseas markets, which is especially important for customers under such a low oil price environment. Through selling Products and Services to the Group, the Schlumberger Group can apply its technologies and global experience more extensively in the Chinese and global markets to assist customers developing oil and gas resources in a more efficient way.

As the Company and Schlumberger expect that the annual transaction amount between the Group and Schlumberger under the 2015 Master Agreement will exceed the stated annual caps based on their respective business projections, the Supplemental Agreement was entered into to enable the parties to continue with the continuing connected transactions under the 2015 Master Agreement in compliance with the requirements of the Listing Rules.

Given that the transactions will be carried out in the ordinary course of business of each party, the parties consider that it will be beneficial to enter into the Supplemental Agreement to revise the annual caps in order to allow the continuing connected transactions under the 2015 Master Agreement to be continued without interruption. The Directors (including the independent non-executive Directors) consider that the terms of the Supplemental Agreement are fair and reasonable and the entering into of the Supplemental Agreement is in the interests of the Group and the Shareholders as a whole.

LETTER FROM THE BOARD

INTERNAL CONTROL FOR THE GROUP'S CONTINUING CONNECTED TRANSACTIONS

The pricing policy for all the continuing connected transactions of the Group will be supervised and monitored by the finance department of the Group and management of the Group in charge to ensure the relevant continuing connected transaction is conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its Shareholders as a whole. The relevant personnel from the finance department of the Group and management of the Group will conduct regular checks on a monthly basis to review and assess whether the transactions contemplated under the relevant continuing connected transaction are conducted in accordance with the terms of its respective agreement and whether the transaction amount incurred in the year is still within the annual cap approved by the Independent Shareholders. The relevant personnel from the finance department of the Group and Management of the Group will also regularly update the market price for the purpose of considering if the price charged for a specific transaction is fair and reasonable and in accordance with the aforesaid pricing policy. The independent non-executive Directors would continue to review the transactions contemplated under the relevant continuing connected transaction and its auditors would also conduct an annual review on the pricing terms and annual caps thereof. Accordingly, the Directors consider that the internal control mechanism is effective to ensure that the transactions contemplated under the relevant continuing connected transaction have been and will be conducted on normal commercial terms and not prejudicial to the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules for the revised annual caps under the Supplemental Agreement on an annual basis will exceed 5%, the revision to the annual caps is subject to the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising the independent non-executive Directors has been formed to advise the Independent Shareholders on the terms of the Supplemental Agreement and the Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the Supplemental Agreement and the revision to the annual caps in relation to the transactions under the 2015 Master Agreement.

LETTER FROM THE BOARD

EXTRAORDINARY GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Extraordinary General Meeting is set out on pages 27 to 28 of this circular.

A form of proxy for use at the Extraordinary General Meeting is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk). Whether or not you are able to attend the Extraordinary General Meeting, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for holding the Extraordinary General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Extraordinary General Meeting if you so wish.

No Director is interested in the 2015 Master Agreement and the Supplemental Agreement and is required to abstain from voting for the Board resolution to approve the 2015 Master Agreement or the Supplement Agreement. Schlumberger and its associates, who are interested in 423,361,944 Shares, representing approximately 19.10% of the issued share capital of the Company, as at the Latest Practicable Date, will abstain from voting for the resolution to approve the Supplemental Agreement and the annual caps thereunder.

CLOSURE OF THE SHAREHOLDERS' REGISTER

For the purpose of determining the list of shareholders who are entitled to attend and vote at the Extraordinary General Meeting, the shareholders' register of the Company will be closed from Tuesday, 24 May 2016 to Thursday, 26 May 2016. No transfer of shares of the Company will be registered during that day. In order to qualify to attend and vote at the Extraordinary General Meeting, all instruments of transfer together with the relevant share certificate(s) must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Monday, 23 May 2016.

GENERAL INFORMATION

Your attention is drawn to the appendix headed "General Information" to this circular.

LETTER FROM THE BOARD

RECOMMENDATIONS

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 11 to 12 of this circular, which contains the recommendations of the Independent Board Committee to the Independent Shareholders regarding the proposed resolution to approve the Supplemental Agreement, and (ii) the letter from Platinum Securities set out on pages 13 to 22 of this circular, which contains its advice to the Independent Board Committee and the Independent Shareholders in respect of the fairness and reasonableness of the terms of the 2015 Master Agreement and the Supplemental Agreement.

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, considers that the terms of the 2015 Master Agreement and the Supplemental Agreement and the revisions to the annual caps of the continuing connected transactions under the 2015 Master Agreement are in the interests of the Company and the Shareholders as a whole and are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the Extraordinary General Meeting to approve the Supplemental Agreement and the transactions contemplated thereunder.

Yours faithfully,
By order of the Board of
ANTON OILFIELD SERVICES GROUP
LUO Lin
Chairman

LETTER FROM INDEPENDENT BOARD COMMITTEE

The following is the text of the letter of recommendations, prepared for the purpose of incorporation in the circular, from the Independent Board Committee to the Independent Shareholders regarding the Supplemental Agreement.

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)

11 May 2016

To the Independent Shareholders

Dear Sir or Madam,

REVISION OF ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS

We refer to the circular of the Company to the Shareholders dated 11 May 2016 (the “**Circular**”), in which this letter forms part. Unless the context requires otherwise, capitalized terms used in this letter will have the same meanings as defined in the Circular unless the context otherwise requires.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders on whether the terms of the 2015 Master Agreement and the Supplemental Agreement and the revision to the annual caps in relation to the continuing connected transactions under the 2015 Master Agreement are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Group and the Shareholders as a whole.

We wish to draw your attention to the letter of advice from Platinum Securities as set out on pages 13 to 22 of the Circular and the letter from the Board as set out on pages 1 to 10 of the Circular.

Having considered the terms of the 2015 Master Agreement and the Supplemental Agreement, the situation of the Company, the factors and reasons considered by Platinum Securities and its opinion as stated in its letter of advice, we consider that the 2015 Master Agreement and the Supplemental Agreement and the revision to the annual caps in relation to the continuing connected transactions under the 2015 Master Agreement are being carried out under normal commercial terms in the ordinary and usual course of business of the Company, such terms are fair and reasonable so far as the

LETTER FROM INDEPENDENT BOARD COMMITTEE

Independent Shareholders are concerned and in the interests of the Group and the Shareholders as a whole, and accordingly recommend the Independent Shareholders to vote in favour of the ordinary resolution proposed to approve the Supplemental Agreement and the transactions contemplated thereunder.

Yours faithfully,

For and on behalf of

The Independent Board Committee of

Anton Oilfield Services Group

Mr. Zhu Xiaoping

Independent Non-executive Directors

Mr. Zhang Yongyi

Mr. Wang Mingcai

LETTER FROM PLATINUM SECURITIES

The following is the text of the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Agreement for the purpose of incorporation into this circular.



PLATINUM Securities Company Limited

21/F LHT Tower
31 Queen's Road Central
Hong Kong

Telephone (852) 2841 7000
Facsimile (852) 2522 2700
Website www.platinum-asia.com

11 May 2016

To the Independent Board Committee and the Independent Shareholders

Dear Sir or Madam,

REVISION OF ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Supplemental Agreement, and the annual caps in relation to the continuing connected transactions contemplated under the Supplemental Agreement (the “**Transactions**”). Details of the Transactions are contained in the Letter from the Board as set out in the circular of the Company dated 11 May 2016 (the “**Circular**”). Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

The Board announced on 13 April 2016 that Company and Schlumberger entered into the Supplemental Agreement to revise the annual caps of the continuing connected transactions under the 2015 Master Agreement. Pursuant to the 2015 Master Agreement, the Group agreed to supply the Products and Services to the Schlumberger Group and Schlumberger agreed to supply and will procure its Affiliates to supply the Products and Services to the Group.

BASIS OF OUR OPINION

In our capacity as the Independent Financial Adviser, our role is to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Supplemental Agreement and the relevant annual caps in relation to the Transactions are entered into in the ordinary and usual course of business of the Company, on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Group and the Shareholders as a whole; and to give independent advice to the Independent Board Committee.

LETTER FROM PLATINUM SECURITIES

In formulating our opinion, we have relied on the information and facts supplied to us by the Directors and/or management of the Company. We have reviewed, among other things: (i) the Supplemental Agreement; (ii) the announcement of the Company dated 13 April 2016 in relation to the Supplemental Agreement; (iii) the 2015 Master Agreement; (iv) the announcement of the Company dated 23 December 2015 in relation to the 2015 Master Agreement; (v) the master mutual supply and purchase agreement dated 24 April 2013 between the Company and Schlumberger (the “2013 Master Agreement”); and (vi) the audited annual results of the Group for the financial year ended 31 December 2015 (the “2015 Annual Results”).

We have assumed that all information, facts, opinions and representations contained in the Circular and all information, statements and representations provided to us by the Directors and/or the management of the Company, which we have relied on the same, are true, complete and accurate in all material respects as of the date hereof and we have relied on the same and the Independent Shareholders will be notified of any material changes as soon as practicable. The Directors have confirmed that they take full responsibility for the contents of the Circular and have made all reasonable inquiries that no material facts have been omitted from the information supplied to us.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in the Circular or the Circular misleading.

We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy or completeness of the information of all facts as set out in the Circular and of the information and representations provided to us by the Directors and/or management of the Company. Furthermore, we have no reason to suspect the reasonableness of the opinions and representations expressed by the Directors and/or management of the Company, which have been provided to us. In line with normal practice, we have not, however, conducted a verification process of the information supplied to us, nor have we conducted any independent in-depth investigation into the business and affairs of the Group. We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion, and we consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

LETTER FROM PLATINUM SECURITIES

During the past two years, Platinum Securities Company Limited had no past engagement with the Company. As at the Latest Practicable Date, we were independent from, and were not associated with the Company or any other party to the Transactions, or their respective substantial shareholder(s) or connected person(s), as defined under the Listing Rules and accordingly, are considered eligible to give independent advice on the Transactions. We will receive a fee from the Company for our role as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Transactions. Apart from this normal professional fee payable to us in connection with this appointment, no arrangements exist whereby we will receive any fees or benefits from the Company or any other party to the Transactions or their respective substantial shareholder(s) or connected person(s), as defined under the Listing Rules.

The Independent Board Committee, comprising all independent non-executive directors of the Company namely Mr. Zhang Yongyi, Mr. Zhu Xiaoping and Mr. Wang Mingcai, has been established to advise the Independent Shareholders as to whether the terms of the Supplemental Agreement and the relevant annual caps in relation to the Transactions are entered into in the ordinary and usual course of business of the Company, on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating and giving our independent financial advice to the Independent Board Committee and the Independent Shareholders, we have taken into account the following principal factors:

1. Background of the Transactions

The Group and Schlumberger established a joint venture in September 2012 with a view to provide integrated project management services to oilfields in the PRC. At the beginning of the co-operation regarding the 2013 Master Agreement, the annual caps were set with reference to the projected demand for the Group's Products and Services from the potential projects to be undertaken by the Joint Venture, and sales of the Group's Products and Services to Schlumberger and/or its Affiliates. Nevertheless, owing to the globally drastic drop of crude oil prices since the third quarter of 2014 and downturn in the oil industry in the PRC, the performance of the Joint Venture has fallen short of expectation. Moreover, as a result of the depressed oil prices and the resulting reduced activities by oil companies, purchases by the Group of Products and Services from Schlumberger have also fallen short of the original expectation. Thus, the Group and Schlumberger have agreed to adjust the annual caps downwards in respect of the 2015 Master Agreement.

On 23 December 2015, the Company and Schlumberger entered into the 2015 Master Agreement pursuant to which the Group agreed to supply the Products and Services to the Schlumberger Group and Schlumberger agreed to supply and will procure its Affiliates to supply the Products and Services to the Group. The Products and Services are products and services to be provided or procured by the Group in relation to drilling technology, well completion, down-hole operation and integrated services categories of oilfield services, as well as other oilfield services related to the business of the Group.

LETTER FROM PLATINUM SECURITIES

The 2015 Master Agreement has a term of three financial years ending 31 December 2018, subject to, among other things, the aggregate annual transaction amounts not being exceeded for each of the financial years of the term of the 2015 Master Agreement.

As under the current market environment, the Company's overseas markets grow significantly and the revenue ratio from the overseas markets increases continuously. As such, the Company and Schlumberger expect that the cooperation between the two parties in the overseas markets will also see a significant growth, and the annual transaction amount between the Group and Schlumberger under the 2015 Master Agreement will exceed the stated annual caps based on their respective business projections. In this connection, the Company and Schlumberger have on 13 April 2016 entered into the Supplemental Agreement to revise the annual caps under the 2015 Master Agreement.

2. Reasons for and benefits of entering into of the Supplemental Agreement

The Schlumberger Group is a leading global oilfield services provider and The Group is a leading independent oilfield services provider in the PRC. As we understand from the management of the Company and as stated in the letter from the Board in the Circular, through purchasing Products and Services from the Schlumberger Group, the Group can introduce the technologies and global experience of the Schlumberger Group to assist customers in the PRC in developing oil and gas resources in a more efficient way, whereas through purchasing Products and Services from the Group, the Schlumberger Group can leverage on the Group's local experience, supply chain network and cost advantages in the PRC to help customers reduce their costs in the use of technology.

As discussed in the 2015 Annual Results, the growth in China's energy demand decelerated further in 2015 and the capital expenditure on upstream exploration and development was further squeezed, leading to downward pressure on the market. However, some pilots of tight oil development with unconventional technology were launched and shale gas development continued to advance in Southwest China. The market opportunities for the deployment of unconventional technology increased. For the international market side, although oil companies axed their capital expenditure to prepare for a prolonged industry winter and postponed certain engineering projects, oil exploration and development activity continued unabated in the Middle East on the back of a comparative cost advantage. The management of the Company considers that oil-field services firms with Chinese background, like the Group, may outperform and start to replace their international peers in some regional markets. We also note that the Group's incremental orders from overseas market increased by more than 50% from approximately RMB1,267 million in 2014 to approximately RMB1,902 million in 2015.

After discussion with the management of the Company, we understand that the Company and Schlumberger expect that the annual transaction amount between the Group and Schlumberger under the 2015 Master Agreement will exceed the stated annual caps based on their respective business projections. We have obtained and reviewed the business development plan between the Company and Schlumberger in the next 3 years and the transaction volume projection, and have taken into account the business opportunities emerging from the unconventional technology and overseas market.

LETTER FROM PLATINUM SECURITIES

In light of above, we are of the view that the Transactions are in the usual and ordinary course of the business of the Group and are in the interest of the Group and the Shareholders as a whole.

3. Principal terms of the 2015 Master Agreement and the Supplemental Agreement

Save for the revision to the annual caps, the other terms of the 2015 Master Agreement remain unchanged.

Parties: The Company; and Schlumberger

Term: The 2015 Master Agreement has a fixed term of three financial years commencing from 1 January 2016 to 31 December 2018 (both days inclusive).

Pricing basis and payment terms: The pricing and payment terms of the Products and Services will be negotiated on an arm's length basis between the parties and the pricing will be determined based on normal commercial terms with reference to the prevailing market prices of similar products and services that are fair and reasonable.

The basis of determining the prices for the Products and Services to be supplied by the Company or Schlumberger or Affiliates under the 2015 Master Agreement will be in accordance with the prevailing market prices of similar products or services and on the following principles:

- (i) by reference to the prevailing market price of the same or substantially similar products or services, taking into account of the price of the same or substantially similar products or services with comparable order quantities and quality offered by other purchasers;
- (ii) if there are not sufficient comparable transactions in (i) above, on normal commercial terms comparable to those offered to/received from independent third parties in respect of the same or substantially similar products or services with comparable quantities; and
- (iii) if both (i) and (ii) above are not applicable, by reference to the average price of similar products or services previously supply by a party, and on normal commercial terms comparable to those offered by the relevant party to independent third parties.

We have enquired as to how the prevailing market price for the Services or Products for a particular contract is determined and note that (i) in respect of procurement of Services or Products from Schlumberger or Affiliates, invite quotations from independent suppliers to give a reference on the prevailing market prices for the relevant services or products to be procured from Schlumberger or Affiliates. Such quotations will be reviewed and evaluated from both the technical and commercial perspectives by qualified personnel of the Company to ensure that the Services or Products to be procured from Schlumberger or Affiliates are comparable to the prices for such services or products being offered by independent third parties; and (ii) in respect of provision of Services or Products to Schlumberger or Affiliates, evaluate and assess the scope of the relevant project and prepare a detailed

LETTER FROM PLATINUM SECURITIES

cost calculation by reference to cost of materials, products and labours, technical difficulties and expertise involved, quotes of the Group to other independent third party customers and the level of fees charged by competitors of the Group in the market (if available) to ensure that the prices of the Services or Products that the Group will be charging Schlumberger or Affiliates are competitive and comparable to those being offered to independent third party customers of the Group. We have reviewed the historical transactions between the Group and Schlumberger and quotations from independent suppliers or cost calculation sheets, and consider that such mechanism for determining the prevailing market price is properly in place and it is sufficient to ensure that the pricing of Products and Services were determined based on normal commercial terms and the pricing basis is fair and reasonable.

Payment for the Products and Services supplied by the Group and Schlumberger or Affiliates will be settled on a project basis, provided that the terms of transactions are no less favorable than the terms provided to independent third party(ies). The Group will seek to obtain market price information through various channels. It will normally consider at least two comparable transactions with independent third parties during the same period, keep regular contacts with and from time to time obtain price quotations through enquiries from established suppliers of similar scale, conduct market price research through various independent industry information vendors such as industry websites, and participate in activities and meetings organized by industry organizations.

Since pricing of the Products and Services will be determined based on normal commercial terms with reference to the prevailing market prices of similar products and services and the Group will seek to obtain market price information through various channels, we consider that the basis for price determination is fair and reasonable.

4. Basis of the annual caps

4.1 *Supply of Products and Services by the Group to Schlumberger or Affiliates*

The revised annual caps under the Supplemental Agreement are as follow:

	For the year ending 31 December 2016 <i>US\$'000</i>	For the year ending 31 December 2017 <i>US\$'000</i>	For the year ending 31 December 2018 <i>US\$'000</i>
Original annual caps	7,000	7,000	7,000
Revised annual caps	80,000	100,000	120,000

LETTER FROM PLATINUM SECURITIES

The Company and the Schlumberger Group had business transactions in previous years. The historical transactional amounts between the Group and the Schlumberger Group are as follows:

	For the year ended 31 December 2013 <i>US\$'000</i>	For the year ended 31 December 2014 <i>US\$'000</i>	For the year ended 31 December 2015 <i>US\$'000</i>
Annual caps under the 2013 Master Agreement	80,000	100,000	120,000
Actual transaction amount	1,092	7,681	657

We have discussed with the management of the Company with regard to the low utilization rate of the annual caps under the 2013 Master Agreement. We note that the Group and Schlumberger established a joint venture in September 2012 (the “Joint Venture”) with a view to provide integrated project management services to oilfields in the PRC. The Group and Schlumberger entered into a master agreement in 2013 for the provision of Products and Services with the annual caps set at US\$80,000,000 for 2013 and rising to US\$120,000,000 in 2015. The annual caps were set with reference to the projected demand for the Group’s Products and Services from the potential projects to be undertaken by the Joint Venture, and sales of the Group’s Products and Services to Schlumberger and/or its Affiliates. The low utilization rate is primarily due to the transaction volume for domestic business was lower than anticipated. For the year ended 31 December 2015, as the oil price tumbled and the domestic upstream oil companies axed the capital expenditure, the actual transaction amount shrank to US\$657,000 for the supply of Products and Services by the Group to Schlumberger or Affiliates, and the performance of the Joint Venture has fallen short of expectation. When the parties entered into the 2015 Master Agreement, the parties have agreed to adjust the annual caps downwards.

The revised annual cap for supply of Products and Services by the Group to Schlumberger or Affiliates for the year ending 31 December 2016 is US\$80,000,000, representing an increase of more than 120 times as compared to the actual transaction amount occurred for the year ended 31 December 2015. As discussed in the letter from the Board in the Circular, the management of the Company views the overseas markets grow significantly and we note from the 2015 Annual Results that the revenue ratio from the overseas markets increased from 48.9% in 2014 to 62.0% in 2015. As disclosed in the announcement of the Company dated 7 April 2016, the Group received from an international oil company customer the final signed contract for the provision of oil production operation and general maintenance services in Iraq with the contract value of approximately US\$78.9 million.

We have obtained and reviewed the business development plan between the Company and Schlumberger in the next 3 years and the transaction volume projection for the supply of Products and Services by the Group to Schlumberger or Affiliates. We note that approximately 80% to 90% of the projected sales of Products and Services to Schlumberger is in relation to the existing or potential overseas projects, in particular for the middle east market.

LETTER FROM PLATINUM SECURITIES

We have also discussed with the management of the Company and reviewed market research reports regarding the prospect of the oil and oilfield services industry. We concur with the management of the Company that the market may gradually recover, which will bring more business opportunities to the Group and leading to transactions between the Group and Schlumberger. The Company expects that PRC oil companies will resume their exploration work in the PRC as a result of the recovery in oil prices (as discussed below). We concur with the management of the Company that the increased activities in the PRC might result in the Joint Venture gaining more jobs in the PRC and in turn increase the demand for the Group's Services and Products.

Despite the low utilisation rates of historical caps under 2013 Master Agreement and significant increase in annual caps as compared with the original annual caps under the 2015 Master Agreement, we consider that, with the gradual recovery of the oil market and expanding overseas business by the Group, it is reasonable to set higher annual caps as a buffer for future potential sales of Products and Services to Schlumberger. Furthermore, we consider that if the Group's overseas contracts materialize, it is reasonable to project a higher transaction amount between the Group and Schlumberger. Based on the business development plan of the Group, the proposed annual caps for supply of Products and Services by the Group to Schlumberger or Affiliates are fair and reasonable. Besides, the Group had secured new orders of US\$796 million in the first quarter of 2016, representing an increase of more than 300% as compared to the same period in 2015. In addition, we notice that the Brent crude oil price has rebounded from below US\$30 per barrel in January 2016 to approximately US\$48 per barrel by the end of April 2016 and with the recovery of oil price and growing business opportunities at overseas market, which could result in a significant increase in demand for oilfield services, there will be large increase in and more cooperation between the Group and Schlumberger.

In light of the above, we are of the view that the revised annual caps for the supply of Products and Services by the Group to Schlumberger or Affiliates are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Group and the Shareholders as a whole.

4.2 *Supply of Products and Services by Schlumberger or Affiliates to the Group*

The revised annual caps under the Supplemental Agreement are as follow:

	For the year ending 31 December 2016 US\$'000	For the year ending 31 December 2017 US\$'000	For the year ending 31 December 2018 US\$'000
Original annual caps	7,000	7,000	7,000
Revised annual caps	80,000	100,000	120,000

LETTER FROM PLATINUM SECURITIES

The historical transactional amounts between the Group and the Schlumberger Group are as follows:

	For the year ended 31 December 2013 <i>US\$'000</i>	For the year ended 31 December 2014 <i>US\$'000</i>	For the year ended 31 December 2015 <i>US\$'000</i>
Annual caps under the 2013 Master Agreement	80,000	100,000	120,000
Actual transaction amount	33,377	30,357	9,137

We have discussed with the management of the Company with regard to the low utilization rate of the annual caps under the 2013 Master Agreement. Similar to the situation for the supply of Products and Services by the Group to Schlumberger or Affiliates, this is primarily because the transaction volume for domestic business was lower than anticipated as a result of the depressed oil prices and the resulting reduced activities by oil companies. For the year ended 31 December 2015, as the domestic upstream oil companies axed the capital expenditure, the actual transaction amount shrank to US\$9,137,000.

The revised annual cap for supply of Products and Services by Schlumberger or Affiliates to the Group for the year ending 31 December 2016 is US\$80,000,000, representing an increase of approximately 7.8 times as compared to the actual transaction amount occurred for the year ended 31 December 2015. As discussed above, the management of the Company considers that there is growing opportunities in the overseas markets. With the gradual recovery of the oil market, it is reasonable to provide higher annual caps for the supply of Products and Services by Schlumberger or Affiliates to the Group.

In addition, we have obtained and reviewed the business development plan between the Company and Schlumberger in the next 3 years and the transaction volume projection for the supply of Products and Services by Schlumberger or Affiliates to the Group. The management of the Company estimates that there will be a growing portion of the purchase from Schlumberger for the overseas market, which we consider is reasonable and consistent with the recent trend of the Company's business.

Similar to supply of Products and Services by the Group to Schlumberger or Affiliates, despite the low utilisation rates of historical caps under 2013 Master Agreement and significant increase in annual caps as compared with the original annual caps under the 2015 Master Agreement, we consider that, with the gradual recovery of the oil market and expanding overseas business by the Group, it is reasonable to set higher annual caps as a buffer for future potential purchase of Products and Services to Schlumberger. Furthermore, we consider that if the Group's overseas contracts materialize, it is reasonable to project a higher transaction amount between the Group and Schlumberger. Based on the business development plan of the Group, the proposed annual caps for supply of Products and Services by Schlumberger or Affiliates to the Group are fair and reasonable. Moreover, the Group had secured new orders of US\$796 million in the first quarter of 2016, representing an increase of more than 300% as compared to the same period in 2015. Lastly, we notice that the Brent crude oil price has rebounded

LETTER FROM PLATINUM SECURITIES

from below US\$30 per barrel in January 2016 to approximately US\$48 per barrel by the end of April 2016 and with the recovery of oil price and growing business opportunities at overseas market which could result in a significant increase in demand for oilfield services, there will be large increase in and more cooperation between the Group and Schlumberger. This will lead to an increase in demand for Products and Services supplied by Schlumberger or its Affiliates to the Group. As Schlumberger is the leading oilfield services company in the world, the Company expects that there will be increased cooperation between the Company and Schlumberger, including an increase of supply of Products and Services by the Group to Schlumberger.

Given that the Group is actively looking for overseas business opportunities which may involve cooperation with Schlumberger, we are of the view that revised annual caps for the supply of Products and Services by Schlumberger or Affiliates to the Group are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Group and the Shareholders as a whole.

RECOMMENDATION

Having taken into account the above principal factors and reasons, in particular,

- i) the entering into the Supplemental Agreement is in the usual and ordinary course of business of the Group and in the interests of the Group and the Shareholders as a whole;
- ii) the terms of the 2015 Master Agreement and the Supplemental Agreement are on normal commercial terms, fair and reasonable; and
- iii) the annual caps under the Supplemental Agreement are fair and reasonable so far as the Independent Shareholders are concerned,

we are of the view that the terms of the Supplemental Agreement and the relevant annual caps in relation to the Transactions are entered into in the ordinary and usual course of business of the Company, on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend the Independent Shareholders to vote in favour of the resolutions in relation to the Transactions to be proposed at the Extraordinary General Meeting.

Yours faithfully,
For and on behalf of
Platinum Securities Company Limited
Li Lan
Director and Co-Head of Corporate Finance

Mr. Li Lan is a licensed person registered with the Securities and Futures Commission and as a responsible officer of Platinum Securities Company Limited to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and has over ten years of experience in corporate finance industry in respect of continuing connected transactions of companies listed on the Stock Exchange.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors and Chief Executive

As at the Latest Practicable Date, the interests and short positions, if any, of each Director and chief executive of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive were deemed or taken to have under provisions of the SFO), or which were required to be and are recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies adopted by the Company (the “**Model Code**”) were as follows:

Long positions in shares and underlying shares of the Company

Name of Director	Note	Capacity	Number of ordinary shares	Number of share options	Total	Approximate percentage of shareholdings
Luo Lin	1	Founder of a discretionary trust and beneficial owner	717,012,818	2,149,334	719,162,152	32.45%
Wu Di		Beneficial owner	—	1,968,000	1,968,000	0.09%
Pi Zhifeng		Beneficial owner	448,000	4,000,000	4,448,000	0.2%
Wang Mingcai		Beneficial owner	550,000	900,000	1,450,000	0.07%
Zhang Yongyi		Beneficial owner	440,000	900,000	1,340,000	0.06%
Zhu Xiaoping		Beneficial owner	—	900,000	900,000	0.04%

Note:

- Mr. Luo Lin is the founder of the Loles Trust, which is indirectly interested in the entire issued share capital of Pro Development Holdings Corp., which in turn is interested in 707,958,150 shares of the Company. Mr. Luo Lin and his family members are the beneficiaries of the Loles Trust. Mr. Luo Lin also holds 9,054,668 shares of the Company in the capacity of a beneficial owner.

(b) **Substantial Shareholders**

So far as is known to any Director or the chief executive of the Company, as at the Latest Practicable Date, Shareholders other than Directors or chief executive of the Company who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Long positions in the shares or underlying shares of the Company

Name	Note	Capacity	Number of ordinary shares	Approximate percentage of shareholdings
Credit Suisse Trust Limited	1	Trustee	707,958,150	31.94%
Seletar Limited	1	Trustee	707,958,150	31.94%
Serangoon Limited	1	Trustee	707,958,150	31.94%
Avalon Assets Limited	1	Trustee	707,958,150	31.94%
Pro Development Holdings Corp	1	Beneficial owner	707,958,150	31.94%
Schlumberger NV	2	Interest of controlled corporation	423,361,944	19.10%

Notes:

1. The 707,958,150 shares referred to the same batch of shares.
2. Schlumberger Far East, Inc. directly holds 423,361,944 shares of the Company. Schlumberger Far East, Inc. is a wholly-owned subsidiary of Schlumberger Holding Limited. Schlumberger Holding Limited is a wholly-owned subsidiary of Schlumberger Oilfield Holding Limited. Schlumberger Oilfield Holding Limited is a wholly-owned subsidiary of Schlumberger NV.

Mr. Luo Lin, an executive Director, is a director of Pro Development Holdings Corp. Save as disclosed, no Director is a director or employee of a company which has an interest or short position in the Shares and underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group or any associated company of the Company (excluding contracts expiring or determinable within one year without payment of compensation, other than statutory compensation).

4. COMPETING BUSINESS INTEREST OF DIRECTORS

As at the Latest Practicable Date, none of the Directors or their respective associates was beneficially interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to the Listing Rules.

5. LITIGATION

So far as the Company is aware, as at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and there is no litigation or claim of material importance known to the Directors pending or threatened by or against any member of the Group.

6. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2015, being the date to which the latest published audited consolidated financial statements of the Company were made up.

7. EXPERT'S QUALIFICATIONS AND CONSENTS

Platinum Securities has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which it appears.

The following is the qualification of the expert or professional adviser who has given its opinion or advice contained in this circular:

Name	Qualification
Platinum Securities	A licensed corporation to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, Platinum Securities did not have any direct or indirect interest in any assets which had been acquired, disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group, since 31 December 2015, the date to which the latest audited financial statements of the Group was made up; and was not beneficially interested in the share capital of any member of the Group and did not have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

8. GENERAL

- (a) None of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group or proposed to be so acquired, disposed of by or leased to any member of the Group since 31 December 2015, being the date to which the latest published audited accounts of the Company were made up, and up to the Latest Practicable Date.
- (b) Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group, which was subsisting and was significant in relation to the business of the Group.
- (c) The company secretary of the Company is Dr. Ngai Wai Fung.
- (d) The registered office of the Company is PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands.
- (e) The principal place of business of the Company in Hong Kong is Unit 2109, Cosco Tower, 183 Queen's Road Central, Hong Kong.
- (f) The share registrars of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited.
- (g) The principal share registrars of the Company is Royal Bank of Canada Trust Company (Cayman) Limited.
- (h) The English text of this circular shall prevail over their respective Chinese text for the purpose of interpretation.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the Company's principal place of business in Hong Kong at Hong Kong is Unit 2109, Cosco Tower, 183 Queen's Road Central, Hong Kong during normal business hours on any weekdays, except public holidays, from the date of this circular up to and including the date of the Extraordinary General Meeting:

- (a) the Supplemental Agreement;
- (b) the letter from the Independent Board Committee, the text of which is set out on pages 11 to 12 of this circular;
- (c) the letter from the Independent Financial Adviser, the text of which is set out on pages 13 to 22 of this circular;
- (d) the consent letter of the Independent Financial Adviser referred to in the section headed "Expert's Qualifications and Consents" in this appendix;
- (e) this circular.

NOTICE OF EXTRAORDINARY GENERAL MEETING

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)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Anton Oilfield Services Group (the “**Company**”) will be held immediately after the conclusion of the annual general meeting of the Company which is scheduled to be held at 10 a.m. on Thursday, 26 May 2016 at No. 8 Pingcui West Road, Donghuqu, Chaoyang District, Beijing for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

1. “**THAT:**

- (a) the supplemental agreement to the 2015 Master Agreement (as defined below) dated 13 April 2016 (the “**Supplemental Agreement**”) between the Company and Schlumberger Far East Inc. (“**Schlumberger**”) pursuant to the Company and Schlumberger have agreed to amend the annual caps under the agreement entered into between the Company and Schlumberger dated 23 December 2015 (the “**2015 Master Agreement**”) for the supply of relevant products, labour and technical services required for the provision of oilfield services (the “**Products and Services**”) to Schlumberger and its affiliates (the “**Schlumberger Group**”) and Schlumberger will supply and procure its affiliates to supply to the Group the Products and Services for a period of three financial years until 31 December 2018 (as further detailed in the circular of the Company dated 11 May 2016 (the “**Circular**”)), be and is hereby approved, confirmed and ratified;
- (b) the annual caps under the Supplemental Agreement as set out in the Circular for each of the three financial years ending 31 December 2018 be and are hereby approved and confirmed; and
- (c) any one director of the Company be and is hereby authorised to do all such acts or things and sign all documents deemed necessary by him/her to be incidental to, ancillary to or in connection with the matters contemplated in the Supplemental Agreement.”

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

Hong Kong, 11 May 2016

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. A form of proxy for use at the meeting is enclosed herewith.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of any officer, attorney or other person authorised to sign the same.
3. Any shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a shareholder of the Company.
4. In order to be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed must be deposited at the Company's branch registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the meeting.
5. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or at any adjourned meeting thereof (as the case may be) should you so wish, and in such an event, the form of proxy shall be deemed to be revoked.
6. Where there are joint registered holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such shares as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the meeting, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members in respect of the shares shall be accepted to the exclusion of the votes of the other registered holders.

As at the date of this notice, the Board comprises Mr. Luo Lin, Mr. Wu Di and Mr. Pi Zhifeng as executive directors; and Mr. Zhang Yongyi, Mr. Zhu Xiaoping and Mr. Wang Mingcai as independent non-executive directors.