

A photograph of a modern, multi-story building with a curved facade. The building features large glass windows and a prominent blue and red circular graphic element in the foreground. The text "Anton Oilfield Services Group" is overlaid on the right side of the image.

Anton Oilfield Services Group

**Strategic Framework
& 2013 Strategy Update**

安东石油
Anton Oilfield Services Group Ltd.
安东石油技术(集团)有限公司
Anton Oilfield Services (Group) Ltd.

安東石油
Anton oil

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Strategic Framework & Review



Long-term Strategic Objective

To be a leading global oilfield services company with a strong foothold in China

Integrated services

To provide one-stop oilfield technical solutions, establishing a leadership position in integrated services

Strong foothold in China

To supply resources and operational support from China

Globalized

To aim at global markets

2013-2015 Strategy

Continue to fulfill the integrated service strategy, strengthening the construction of regular service capacity and the investment in such service equipment. Shift towards integrated services with regular services driven by technical services targeting high-end markets from a sole focus on services for high-end markets.



Focus on technical services targeting high-end markets

Accelerate integrated service strategy

Integrated services with regular services driven by technical services targeting high-end markets



2013 Strategy Update

2013 Strategic Focus

Markets

- **Domestic:** Strengthen cooperation with strategic partners for business development purposes; place primary focus on unconventional
- **Overseas:** Continue the “follow-up” strategy; enter the national oil company (NOC) market

Products

- Continue to push ahead with the integrated services strategy; strengthen the capacity of providing regular services

Strategic Resources Alignment

- Increase equipment investment in core service areas; accelerate the construction of industry bases to enhance self-sufficiency in tool design & manufacturing
- Make targeted R&D investment to increase cost competitiveness
- Continue to expand talent resources to prepare for long-term growth

Financial

- Maintain fast growth in revenue and stable profitability
- Increase debt financing efforts

2013 Market Strategy Highlights



Overview of Domestic Market in 2013

2013 Domestic Market Trends

- Domestic E&P market expected to go through further opening up and additional favorable policies in natural gas to be introduced, substantially driving up E&P activities
- Unconventional gas to remain a spotlight in E&P



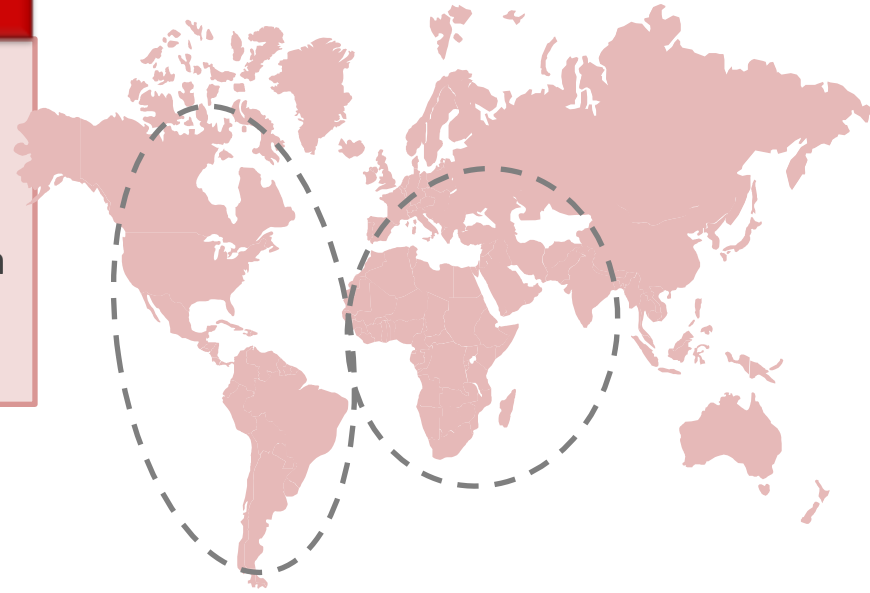
2013 Domestic Gas Market Strategies

- Forge strategic partnership with and supplement the service capacity of state-owned oilfield services companies as a key business development strategy
- Concentrate on natural gas business with particular focus on unconventional
- Further consolidate leadership position in Tarim, Erdos and Sichuan basins

Overview of Overseas Market in 2013

2013 Overseas Market Trends

- Chinese investors expected to accelerate overseas expansion and with their E&P spending outside China set to record rapid growth
- E&P investment in the Middle East and Latin American regions to remain relatively active and a hotspot for overseas investment by Chinese investors



2013 Overseas Market Strategies

- Adhere to the “follow-up” strategy and strengthen the presence in existing markets, and further increase business volume in the ME region
- Make every effort to push ahead with the Latin American market strategy
- Start cooperation with other NOCs



2013 Product Strategy Highlights

Product Strategy by Cluster

Drilling Technology



- Promote integrated services to boost the demand for single services
- Grow the turnkey drilling business through the addition of land rigs
- Strengthen the service capacity of directional drilling; achieve self-sufficiency in directional drilling apparatus
- Broaden the application of oil-based drilling fluid service in extended regions and markets

Well completion



- Accelerate the construction of Tianjin well-completion tools testing, experiment and assembly base; strengthen building of self sufficiency capacity

Downhole Operation



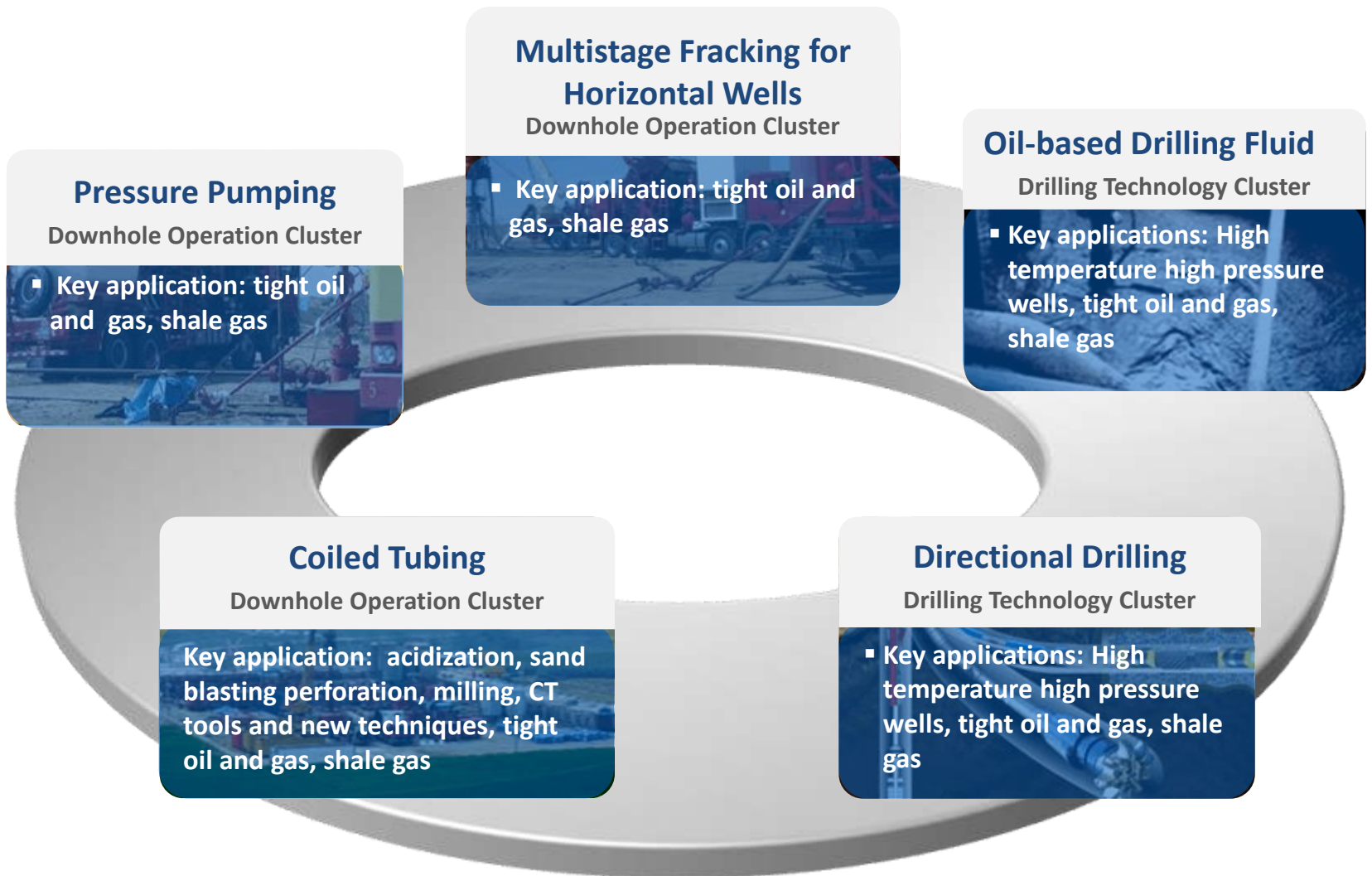
- Maintain market leadership position in multistage fracking services and promote new fracking techniques and their applications
- Continue to invest in pressure pumping equipment to enhance its service capacity
- Continue to invest in coiled tubing equipment and develop new techniques
- Promote self-developed new materials and chemical products

Tubular Services



- Invest in leasing resources and vigorously develop the leasing business
- Enhance testing and repair capacity

2013 Star Services



Services in the Pipeline in 2013

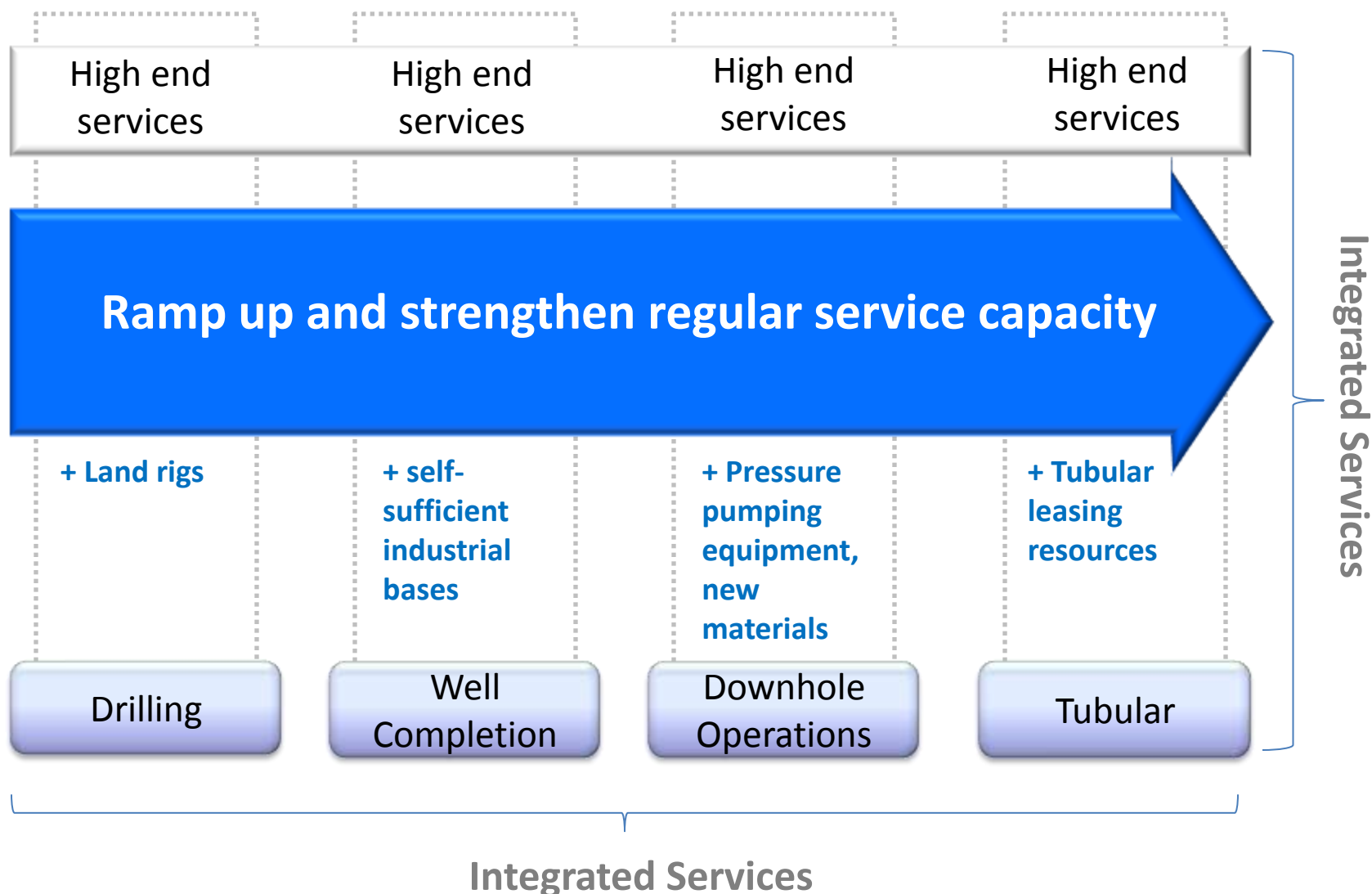
New Services in 2013

- Turnkey drilling projects driven by rig resources
- Production well completion
- New fracking technical service
- New materials

Future Services

- Integrated Oil/Gasfield Development

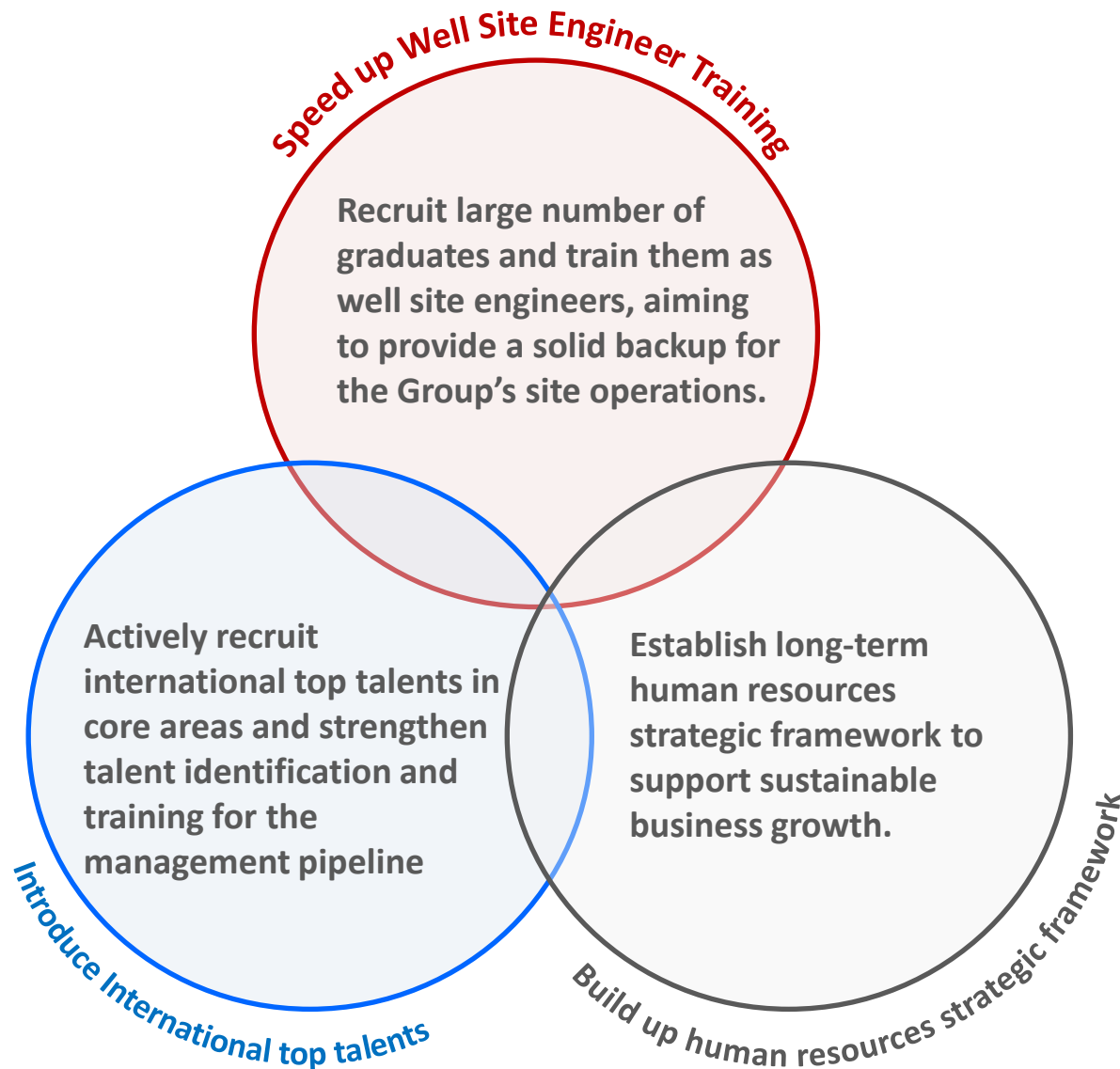
Strengthen Regular Services and Enhance Integrated Service Capabilities





2013 Strategic Resource Alignment

2013 Human Resource Alignment



2013 CAPEX Allocation

Investment

- Continue to invest in pressure pumping equipment, directional drilling equipment and coiled tubing equipment; make proper investment in land rigs to propel rapid development in turnkey drilling business
- Make full efforts to construct industrial bases to enhance self-sufficiency in core services

M&A

- Look for M&A and partnership opportunities that fit in the Group's integrated business strategy, and may expand its product line, enhance in-house capacity or bring access to new markets

R&D

- Conduct targeted R&D in major technology applications

2013 Financial Strategy Highlights



Financial Strategy in 2013

Fast Growth in Revenue

- Continue to develop new product services and enter new markets to maintain fast revenue growth.

Stable Profitability

- Continue to strengthen cost control and enhance efficiency to achieve stable profitability.

More Debt Financing Channels

- Utilize different debt financing channels including MTN issuance, supply chain financing and financial leasing to provide adequate sources of capital for the Group's business development.

The image shows three flags flying on tall poles against a clear blue sky. From left to right: a blue flag with the 'Antony' logo and Chinese characters '安尔石油', the national flag of the People's Republic of China, and a white flag with a blue 'A' logo and Chinese characters '安尔石油'. In the background, a modern multi-story building with a glass facade is visible. A semi-transparent white banner is overlaid across the middle of the image, containing the main text.

***ENHANCED INTEGRATED SERVICE CAPABILITIES WITH
STRONGER REGULAR SERVICES
ON A FAST TRACK TO GROWTH***