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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

2018 Strategy Update

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

The Board is pleased to announce the 2018 strategy update of the Group.

This announcement is made by Anton Oilfield Services Group (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) on a voluntary basis. The board of directors (the “**Board**”) of the Company is pleased to announce the 2018 strategy update of the Group as follows:

2018 Strategy Focus:

According to the three-year strategy objective of “becoming the most competitive cost-reducing and production-increasing integrated technology service company in the global emerging markets of oil and gas development industry”, the Board has set the strategy focus of 2018:

Take cash flow management as the core, recover a strong operating net cash flow generating capability during the year, emphasize on business quality, increase level of internationalization, and promote the healthy growth of revenue and profit based on a growing cash flow.

In **market strategy**, the Group is fully confident with a strong market recovery in 2018, will focus on further upgrade quality of customer, and compete for long-term, larger scale orders with high cash flow generating ability and high margin to lay a solid foundation for its fast growth in 2019 and the future. It will strive to increase market share in the international oil company market in Iraq, contest for integrated project opportunities for Chinese independent oil companies in Belt and Road markets, and grasp the incremental opportunities in domestic natural gas market, especially the shale gas market.

In **service strategy**, the Group will continue to strengthen its integrated service capabilities with a focus on production increasing and cost reducing technologies. The Group will roll out multiple kinds of integrated services, focus on cash flow management, and integrate resources of partners for projects which require relatively higher capital allocation.

In **products and technology strategy**, the Group will focus on introducing and application of new technologies; strengthen cooperation with leading technology companies in the industry, and especially cooperation on new technologies for increasing production and lowering cost. The Group will increase its service capability of increasing production and lowering cost by comprehensive external cooperation.

In **strategic alignment**, regarding investment, the Group will strictly control its scale of capital expenditure, advocate fair allocation of idle equipment, strengthen inventory management and payment management to vendors in order to reduce cash outflow. Regarding human resources, the Group will take improving localization of international business as the main focus, introduce leading talents in the industry, and further strengthen its incentive salary policies.

In **finance strategy**, take cash flow management as the core, the Group will prioritize cash flow growth than growth of revenue and profit. The Group will continue to strengthen combination of project operation and financing, pick up pace of deepening cooperation with policy financial institutions to reduce risks and pressure on working capital, and compete for market share of international oil companies in overseas markets.

The above statements are based on the current operations of the Group and the current market conditions. These statements do not serve as a guarantee of the Group's performance which is mainly dependent on the market and financial environments.

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

Hong Kong, 22 January 2018

As at the date of this announcement, the executive Directors are Mr. LUO Lin, Mr. WU Di and Mr. PI Zhifeng, the non-executive Director is Mr. John William CHISHOLM and the independent non-executive Directors are Mr. ZHANG Yongyi, Mr. ZHU Xiaoping and Dato WEE Yiau Hin.