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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

2019 Strategy Update

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

The Board is pleased to announce the 2019 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 2019 strategy update of the Group as follows:

2019 Strategy Focus:

The Group’s long term objective is “being a global leading oilfield technical service company”, and its 2019 objective is “becoming the leading production-increasing and cost-reducing integrated technical service company in the global emerging markets”. The Board has set the strategy focus of 2019:

Targeting global emerging markets of oil and gas development, provide production-increasing and cost-reducing integrated technical services, and continuously improve business quality, increase market share and generate good free cash flow to achieve healthy leapfrog development.

In **market strategy**, the Group will seize the opportunity of China's fully acceleration of oil and gas resources development to solve energy security problem to provide high-end technical services in new technology markets, natural gas markets, unconventional markets, and high-quality international oil company customer markets to help customers build capacity efficiently. In Iraq, the Group will continue to provide its integrated management in Majnoon oilfield and help the customer to expand the oilfield's capacity rapidly, as well as bidding for more projects led by this project operation. Meanwhile, the Group will further strive to explore other international oil company customer markets and further pursue the "integrated general contracting" services to achieve new breakthroughs in scale. In other emerging markets, the Group will maintain the market of independent Chinese oil company customers and strengthen the exploration of international oil company customers markets and pursue large-scale project opportunities on the basis of controlling risks and ensuring the safety of funds.

In **products, technology and service capacity strategy**, the Group will focus on establishment of products, technology and capacity service platform. Integrate resources according to the market needs, and allocate resources such as human resources, raw materials and equipment assets for the customer, and provide all-round services to the customer which covers whole-process products, full-set resources and integrated services.

In **strategic resources alignment**, the Group will take production-increasing and cost-reducing integrated technology as the core to continuously build service capabilities. On the aspect of technology, it will mainly through technology cooperation and independent R&D. For equipment assets, it will focus on external cooperation or through rent. The Group will keep strict control on the scale of capital expenditure to achieve higher return on net asset under "light-asset" business model. Regarding human resources, the Group will maintain a flexible employment structure, decrease its fixed labor ratio and lift the project-based labor ratio. At the same time, the Group will introduce leading talents in the industry with international vision to support the global development strategy of the Group.

In **finance strategy**, the Group aims to achieve continuous improvement on business quality. Managements and operations will be centered on strong free cash flow generation which would further drive the growth of orders, revenue and profits. Meanwhile, the Group will strengthen the cooperation with financial institutions such as commercial banks to ensure profound liquidity, as well as deepening cooperation with policy financial institutions, strengthen the "combination of projects with financing" to acquire more financial supports and risk coverage under the "Belt and Road" initiative, and to capture more market share of international oil companies in global markets and achieve good financial goals.

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, 21 January 2019

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 Yaw Hin.