

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)

**Anton Oilfield Services Group Announces 2018 Annual Results
Orders and Revenue Recorded Historical High
Profit attributable to equity holders Increased by Three Times
Generated Positive Free Cash Flow
Pay Final Dividend of RMB0.01 Per Share**

(24 March 2019, Hong Kong) **Anton Oilfield Services Group** (“**Anton Oilfield**” or the “**Group**”; Hong Kong Stock Exchange Stock Code: 3337), a leading independent oil and gas fields technical services provider, is pleased to announce the audited condensed consolidated interim results of the Group for the one year ended 31 December 2018 (the “reporting period” or the “Year”).

During the reporting period, Revenue of the Group increased by 33.3% from RMB2,202.7 million in 2017 to RMB2,935.9 million in 2018. Profit attributable to equity holders of the Company increased by 308.1% from RMB54.5 million in 2017 to RMB222.4 million in 2018. Basic earnings per share achieved RMB0.0792 per share. The proposed final dividend for the year ended 31 December 2018 is RMB 0.01 per share.

Oil-gas industry show stronger signs of recovery, orders and revenue recorded historical high

In 2018, the international oil and gas market demonstrated a strong recovery momentum. Due to the widening gap between global production capacity and demand, both national and international oil companies had increased their investment in new capacity, and the demand for oil and gas development services was strong.

The Group continued to play its core strengths to actively contest high quality

orders in overseas and domestic key markets. In 2018, new orders of the Group amounted to RMB4,055.2 million, an increase of 53.1% as compared to that in 2017. As at the end of 2018, order backlog of the Group amounted to RMB4,350.3 million, an increase of 24.0% as compared to that at the end of 2017. In 2018, the Group recorded a revenue of RMB2,935.9 million, an increase of 33.3% as compared to that in 2017. The number of both full-year new orders and year-end order backlog of the Group recorded a new high.

High standard compete, successfully took over the management of third largest oilfield in Iraq, upgraded business model

Based on its high standards, international management system and strong comprehensive management strength established in the Iraqi market for many years, the Group has become the only Chinese company who is accepted for the bidding, and competed with several other large international oilfield service companies. With a high technical score from good oilfield operation and maintenance management track record in Iraq, the Group finally won the bid in the fierce competition with its comprehensive strength and became the management part of the third largest oilfield in Iraq, and realized upgrading of the “asset-light” and “integrating” business model.

Keep overall control of management with taking “cash flow” as the core, and stick to its “asset-light” business model, generated positive free cash flow

In 2018, the group kept the overall control requirements of taking “cash flow” as the core, and net cash inflow from operating activities of the Group amounted to RMB420.0 million, representing an increase of RMB224.4 million compared to the same period in 2017. In the Year, although the Group’s overall business volume has increased significantly, the Group continued to keep a strict control on incremental capital expenditure following its “asset-light” business model, substituting non-essential investment with rental or by allocating resources from partners. Although the equipment used throughout the year increased by 11 units, capital expenditure throughout the year was only RMB99.2 million, representing a decrease of 76.3% from RMB417.9 million in 2017. The Group recorded positive free cash flows in the Year.

Outlook

2019, the Group’s objective is “**becoming the leading production-increasing**

and cost-reducing integrated technical service company in the global emerging markets”. The focus of the Group in 2019 is to target global emerging markets of oil and gas development, provide production-increasing and cost-reducing integrated technical services, constantly increase market share, continuously improve business quality, increase the return on assets and generate good free cash flow to achieve healthy leapfrog development.

In market strategy, in Iraqi market, the Group will continue to provide its integrated management in Majnoon oilfield and help the customer expand the oilfield’s capacity rapidly, as well as bid for more projects led by this project operation. In addition, 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 overseas markets, the Group will maintain the market of independent Chinese oil company customers and strengthen the exploration of international oil company customers markets. In Chinese market, The Group will seize market opportunity to provide high-end technical services to help customers build capacity efficiently.

In products, technology and service capacity strategy, the Group will focus on establishment of products, technology and capacity service platform 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. In finance strategy, the Group aims to achieve continuous improvement on business quality. Managements and operations will be centered on sound return on assets and 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 in global markets and achieve good financial

goals.

About Anton Oilfield Services Group

Anton Oilfield Services Group (Hong Kong Stock Exchange Stock Code: 3337) is a leading independent integrated oilfield engineering and technical services provider. The products and services of the Group cover the entire process of development and production cycle of oil and gas resources, including integrated services, drilling services, well completion services and down-hole operations, with comprehensive network coverage over prime business areas in China and global markets, spanning across 14 countries including China, Middle East, Central Asia and Africa, and the Americas, providing solutions from multiple perspectives to oil companies for resolving the issues of increasing production, improving speed, reducing cost, safety and environmental protection in oil and gas fields. The Group's rapid growth has benefited from the resource advantages in China and business expansion in overseas markets, now it has become the best private oilfield engineering and technical cooperation partner in China and the best Chinese partner in global operations. The Group's strategic objective is to become a global leading oilfield technical services company based in China.

This press release is issued by **Wonderful Sky Financial Group Company Ltd.** on behalf of **Anton Oilfield Services Group**

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