



Anton Oilfield Services Group

announces 2011 interim results

Total revenue increased by 56.0% to RMB526.4 million

Net profit attributable to shareholders increased by 25.6% to RMB50.7 million

***Successful implementation of “follow-up” strategy with expanded international business
Positioning in natural gas development market with steady advancement of
domestic business***

(Hong Kong, 28 August 2011) – Anton Oilfield Services Group (“Anton Oilfield Services” or the “Group”, stock code: 3337), a leading independent oilfield service provider in China, announced today its unaudited consolidated interim results for the six months ending 30 June 2011. During the first half of the year, with the successful implementation of the “follow-up” strategy, the Group recorded rapid growth in the overseas market. In the meantime, as the Group has targeted at the natural gas development in the domestic market, it continued to maintain strong growth momentum, with total revenue increased from RMB337.5 million to RMB526.4 million, representing a growth of 56.0% compared with the same period of 2010. Its net profit attributable to the Company’s shareholders improved 25.6% compared with the corresponding period of 2010 to RMB50.7 million.

“In the first half of 2011, the domestic and overseas oilfield services industry continued to demonstrate an upward growth trend. On the one hand, the Group has become an indispensable technical cooperation partner of its customers, thereby achieving rapid growth in the overseas market. On the other hand, since the Group focused on the target market of natural gas development domestically, it benefited from the strong growth of natural gas consumption in China and the ongoing investments in the natural gas area by its customers and thus continued to maintain strong growth momentum,” said Mr Luo Lin, Chairman of the Board and CEO of Anton Oilfield Services.

Core business continued to grow and contributed more revenue

Currently, under the strategic positioning as an oil and gas field development technical service company based on wellbore technologies, the Group continued to focus on providing oil and gas field development technical services of drilling, well completion, down-hole operation and oil production, while developing its tubular business independently. In the first half of 2011, the oil and gas field development technical service contributed 84.6% of the Group’s total revenue.

Successfully seized the target markets boosted by the robust demand for the construction of natural gas production capacity in China and the development of overseas oil and gas fields

The Group’s target markets are China’s natural gas development and the development of overseas oilfields by Chinese investors. Domestically, China’s natural gas development has passed through the development phase. Investments in the capacity construction of natural gas, construction of underground gas storage facilities and exploration of unconventional natural gas have been fully unfolded. The Group’s related oil and gas field development technologies enabled the Group to capture the tremendous opportunities driven by

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these trends. Total revenue from the domestic market increased by 39.3% compared with the same period of 2010 to RMB397.4 million.

Chinese investors continued to strengthen their overseas investments. The Group's "follow-up" strategy has been effectively implemented and it has become its customers' indispensable technical support partner, especially in the Middle East market. The Group's revenue from the overseas market continued to increase, reaching RMB129.0 million and a surge of 173.0% compared with the same period of last year and representing 24.5% of the total revenue.

Down-hole operation cluster achieved multifold growth; provided advanced multistage fracture work for the first shale gas well in China

Revenue from the down-hole operation cluster of oil and gas field development technical services increased by 131.9% compared with the same period of 2010 to RMB225.2 million, contributing 42.8% to the total revenue.

The Group continued to provide oil companies with horizontal well multistage fracture production enhancement technology for their tight gas reservoir and achieved consistent elevated productivity. During the interim period, the Group successfully won the bid for two historic shale gas horizontal well multistage fracture projects. It undertook the fracture operation of Sichuan Wei-X Well, the first shale gas well in China, in which, the latest and most advanced concept and methods in fluid design and multistage fracture techniques were applied. The Group successfully completed the fracture operation, marking a new step forward to capture the opportunities available in unconventional natural gas development in the future.

In the first six months, the Group set up an independent equipment service department, having made cumulative investments to set up three coiled tubing teams and seven tubular helium testing service teams. Revenue from the equipment service division increased by approximately 5.3 times compared with RMB 16.6 million in the same period of 2010, to RMB104.7 million, while revenue from coiled tubing services surged by 17.7 times correspondingly to RMB89.9 million.

Building up service capacities and enhancing an integrated structure for full services

The Group has formulated its service capacity planning for the next three years. It will focus on building up capacities through investments, combining organic self-development with a growth model of merger and acquisition, thus rapidly establishing an integrated structure of service capacities.

To capture the opportunities in China's natural gas development, the Group has established an oil and gas field development department, and intended to establish project companies to participate in unconventional natural gas blocks transferral tenders in China.

The Group will invest in the blocks in the capacity of project manager through project financing and will become the major technical service partner of these blocks for the provision of integrated technical services that are necessary for their development. By doing so, the Group plans to secure upstream resources to develop its foreseeable customer base in the long run.

Developing domestic and overseas businesses concurrently and capturing new market opportunities

Looking forward, Mr. Luo said, "In the second half of 2011, the Group will continue to promote its oil and gas field development technical services including drilling, well completion, down-hole operation and oil production. For the domestic market, the focus will be on natural gas development, the construction of gas storage facilities, and the general contracting services for oil and gas field blocks of state-owned oil companies. The Group will also develop the market of blocks invested by international oil companies in China as well as those invested by independent investors, so as to drive further growth of the Group's domestic operations. For the overseas market, the Group will focus on the Middle East market and expedite the pace of building up its service capacities to meet customer needs, and begin to expand into markets of other overseas countries to

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accelerate the Group's overseas growth. The Group's major focuses will be to enhance the efficiency of asset utilization, to boost the building up of its service capacities and to upgrade its operating capacity. Meanwhile, the Group will actively utilise its financing platform mainly through debt financing to secure capital for future development, thereby improving the Group's financial structure and enhancing the Group's return on net assets."

Mr. Luo concluded, "Looking ahead to the full year, the Group will maintain its rapid growth momentum, steering towards its goals of becoming an international leading oilfield technical service company with a strong foothold in China."

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Notes to Editors:

About Anton Oilfield Services Group

Anton Oilfield Services Group (stock code: 3337) is a leading independent oilfield services provider. It was listed on the Stock Exchange of Hong Kong on 14 December 2007. Businesses of the Group comprise oil and gas field technical services and tubular services. The former covers well completion, down-hole operation, and drilling technology services. The Group's products and services cut across the whole development process of oil and gas field development. It has a nationwide sales network covering major oilfields throughout China and is actively expanding into overseas markets. The Group has strong R&D capability and is the only independent oilfield services provider in China with a "Post-Doctoral Research Station". In the first half of 2011, the Group obtained 22 patent rights and the number of patent rights reached 361.

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