

[For Immediate Release]



Antonoil makes further strides in the drilling fluid service market

*Enters into framework agreement for drilling fluid services in the Tarim area
Aspiring to become the leading drilling fluid service brand in China*

(Hong Kong, July 16, 2012) **Anton Oilfield Services Group** ("Antonoil" or the "Group", HKEx stock code: 3337), the leading independent oilfield services provider in China, is pleased to announce that it has successfully won the tender and will enter into a framework agreement for the provision of oil-based drilling fluid services to a batch of wells in the Tarim area with an agreed service price based on the workload for 8-10 jobs. This agreement not only establishes the Group's position in the industry, but will also have a positive impact on the Group's annual results. Antonoil has secured a confirmed number of batch orders less than half a year since the establishment of its drilling fluid service department at the beginning of this year, marking the initial success of the Group's strategy in developing its drilling fluid services business and a step forward in achieving its aspiration of becoming a leading drilling fluid services brand in the PRC market.

According to the agreement, Antonoil will provide oil-based drilling fluid services to the ultra-high pressure and ultra-high temperature conventional natural gas wells in the Tarim area. Based on a workload for 8-10 jobs, the agreement sets the lowest price for a single job at approximately RMB 9 million. The actual number of jobs will be finalized in accordance with the client's progress in production, though more than eight jobs are expected to be successively launched for operation and completed by the end of this year.

Mapping overall development plans for the drilling fluid business

Understanding that drilling fluid technology constitutes a vital part of oil and gas field technical services, Antonoil has laid out a long-term strategy for its drilling fluid services business. It established its drilling fluid services unit at the beginning of this year and selected the high-end market in the Tarim area as its path to entering the market. The Group then entered into a strategic partnership with Magcobar, a China-based joint venture of M-I SWACO (a Schlumberger company) specializing in drilling fluid technology. Leveraging Antonoil's in-depth local knowledge

and operational experience and Magcobar's world-class expertise in oil-based drilling fluid, the partnership brings the two companies together to jointly develop oil-based drilling fluid services in the Tarim region. Meanwhile, the Group quickly completed the construction of a local mud plant to provide recycling, storage, processing, reprocessing for drilling fluids that provide critical support for the operation of oil-based drilling fluid services. With their respective core strengths, Antonoil and Magcobar soon made joint bids and took part in joint operations in the second quarter and have soon provided oil-based drilling fluid services for three wells in the Tarim region. The joint operations achieved remarkable results and won high acclaim from the client. Backed by this track record, Antonoil had the advantageous position to win this order of 8-10 jobs, strengthening the Group's market position in the area.

Furthermore, the Group announced in May the acquisition for a 55% stake in the Bazhou Companies, a renowned high-end water-based drilling fluid company with strong influence in the Tarim area. The Bazhou Companies' high-end water-based drilling fluids have proven to be an effective solution to the difficulties in the drilling fluid area encountered at the highly challenging complex wells and ultra-high temperature wells in the Tarim area. They are complemented by a strong team of experienced engineers and possess integrated service capabilities that range from R&D, production, on-site configuration to on-site operations. Following the acquisition, the Group at one stroke possessed a diverse product mix of its drilling fluid business with enhanced R&D capabilities and a strengthened talent base.

Thanks to its comprehensive efforts in building its business, Antonoil's drilling fluid services business now boasts a workforce of over one hundred experienced engineers along with both oil-based and water-based drilling fluids, which altogether provide strong service offerings that will make Antonoil a leading drilling fluid service brand in China.

Bright prospects for the drilling fluid services market in China

There is a vast drilling fluid services market in China, especially in the Tarim area, where a complex geological environment presents perplexing engineering challenges in the areas of drilling and drilling fluids. According to reports by China Petroleum Daily published in January this year, the Tarim Oilfield will be developed into "the Daqing of Xinjiang", which will be achieved through a "three-step strategy" in which production at Tarim is planned to maintain at 20 million tons of oil equivalents of oil and gas from 2010 to 2012, to be stepped up to 30 million tons from 2013 to 2015, and to achieve a target of 40 million tons from 2016 to 2019. In view of this, the speed of drilling in Tarim must be accelerated in order to fulfil the doubled production target, and the lead time and quality of drilling will largely depend on drilling fluid technology. As a result, the demand for drilling fluid services will surge in the Tarim, thus creating a key growth engine in the drilling

fluid services market in China.

Its success in entering into a framework agreement in the Tarim area enables the Group to make a strong entrance into market, and to accumulate sophisticated operational experience in the high-end market. Such experiences will provide a solid foundation on which the Group provide its premium services to other markets in China, thereby paving the way for Antonoil to become the leading drilling fluid service brand in China.

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About Anton Oilfield Services Group

Anton Oilfield Services Group (HKEx stock code: 3337) is a leading independent oilfield services provider offering one-stop oil and gas field technical development services to oil companies. Its services and solutions span across the drilling technology, well completion, down-hole operation, and oil production phases in the development cycle. Its fast growth benefits from the expanding development of natural gas in China and the Group's increasing presence in the overseas markets. At the same time, Antonoil is committed to continuously strengthening its R&D capabilities and making additions to its talent reserves. The Group's strategic objective is to become a global oilfield services provider with a solid foothold in China.

Antonoil is headquartered in Beijing with sales offices and operations bases across China's major onshore oil and natural gas basins. The Group also has an international headquarters in Dubai with an extensive network across the Middle East, Central Asia, Africa, and Americas.

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