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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)

ANNOUNCEMENT

Operational Update on the Second Quarter of 2024 and Outlook for the Third Quarter of 2024

The board of directors (the "**Board**") of Anton Oilfield Services Group (the "**Company**", together with its subsidiaries, the "**Group**") is pleased to announce its operational update and order backlog for the three months from 1 April to 30 June 2024 (the "**Quarter**").

OVERVIEW OF OPERATIONS IN THE SECOND QUARTER OF 2024

During the second quarter, international geopolitical conflicts continued to have a wide-ranging impact on global trade. Global economic development continued to show greater instability and imbalance. During the quarter, international oil prices remained generally stable, basically at a high level of US\$80 per barrel, and oil and gas development continued to be active globally.

The Group has responded proactively to market changes and continued to look for the best market opportunities globally, deepening its presence in international emerging markets. In the second quarter, the Group's new orders continued to grow at a high rate. In addition, the Group achieved a major breakthrough project during the quarter. The Group successfully won the bidding for the development right of Dhafriyah oilfield in the supplementary fifth and sixth rounds of the Iraq oilfield block tender, with a development period of twenty-five years, in which the Group will participate in the development of this oilfield block as an operator. The winning of this tender marks a key step for the Group in the field of oil and gas development and opens a new milestone in the development of its business in Iraq, and the continued expansion of the Group's new business will give new impetus to the Group's scaled-up growth.

ORDERS IN THE SECOND QUARTER OF 2024

In the second quarter, the Group's new orders amounted to RMB2,638.1 million, representing an increase of 62.1% as compared to the same period last year, among which, new orders in the Iraq market amounted to approximately RMB1,503.1 million, representing a significant increase of 82.5% as compared to the same period last year; new orders in other overseas markets amounted to approximately RMB169.4 million, representing an increase of 29.1% as compared to the same period last year; new orders from the Chinese market amounted to approximately RMB965.6 million, representing an increase of 43.6% over the same period last year.

In overseas market, Iraq, the Group secured a number of large orders during the quarter, including oil and gas field station and equipment operation services, well completion turnkey services, oil and gas development equipment leasing services, and coiled tubing services. New orders increased significantly year-on-year by 82.5% (the newly awarded Dhafriyah oilfield development project is different from previous service project orders. As the Group will be responsible for the overall development and operation of the oilfield as an operator, there is no definite contract amount. Therefore, this project has not been included in the new order statistics for the time being); in other overseas markets, the Group secured projects such as drilling fluid, workover services project in the Chad market in Africa, and asset integrity inspection project in Indonesia. Projects in emerging markets continued to expand steadily.

In the Chinese market, during the quarter, the Group, relying on its eight major solutions, continued to strive for breakthroughs in new projects, winning bids for oil and gas pipeline inspection, gas seal inspection and unconventional well drilling tools rental, distributed fiber optic monitoring service project and coiled tubing service project. New orders also increased significantly from the same period last year.

OPERATION IN THE SECOND QUARTER OF 2024

The Group continued to adhere to lean operations. In the Iraq market, the Group's projects operated smoothly and efficiently during the quarter, while in other overseas markets, the Group completed the drilling fluid service for the deepest well in the block for a client in Chad, which was highly praised by the client. In the Chinese market, the Group set a number of operational records during the quarter. The stimulation project in North China successfully achieved the largest scale of fracking in the region, with a significant improvement in the time efficiency; and the Group's geo-engineering integrated turnkey project undertaken in 2023 has maintained a stable and high production rate, and was awarded with incentives by the customer; the acidification operation in the eastern oilfield created the highest production increase in the region; the fracking project in the southern oilfield completed 36 sections in 10 days, setting a time record in the local region. The Group will adhere to the motto of creating the ultimate good experience for our clients by continue to promote the high-quality and efficient execution of projects in all markets.

As at 30 June 2024, the Group had order backlog of approximately RMB12,694.0 million, of which the order backlog in the Iraq market amounted to approximately RMB5,316.4 million, accounting for approximately 41.9% of the Group's total amount, order backlog in other markets amounted to approximately RMB1,010.6 million, accounting for approximately 8.0% of the Group's total amount, order backlog in the Chinese market amounted to approximately RMB6,367.0 million, accounting for approximately 50.1% of the Group's total amount.

Remarks: Order backlog is workload that management calculates and judges to be executable after a set date based on contracts and agreements with customers. Order backlog is subject to reductions as a result of contract execution and to adjustments to order backlog by management as a result of unanticipated changes in the market.

MANAGEMENT OF THE COMPANY IN THE SECOND QUARTER OF 2024

In the second quarter, in order to accelerate the globalisation of the organization, the Group further restructured and upgraded its organization to better facilitate the development of global business. At the same time, the Group further optimised its global human resources system, to further recruit and cultivate global leaders, and explore outstanding global talents to join the Group, so as to jointly achieve the accelerated development of globalisation.

During the quarter, the Group successfully completed the approval of payment of the 2023 dividend on the annual general meeting and completed the cash dividend payment of RMB0.013 per share. With solid and sustained growth in performance, the Group will continue to endeavour to create value and enhance returns for its shareholders.

In terms of environment, society and governance (ESG), during the quarter, the Group was honoured with the "2024 Sixth China Management Excellence Award" by Deloitte China, which is the second consecutive year for the Group to receive the award, highlighting the Group's management excellence and outstanding innovation capabilities; in addition, the Group was successfully selected as the only Chinese oil and gas service company in the S&P Global Sustainability Yearbook (China Edition) 2024, which demonstrates that the Group's ESG performance has been highly recognised by international professional institutions and fully reflects the Group's excellence in sustainability management.

OPERATIONAL OUTLOOK FOR THE THIRD QUARTER OF 2024

In the third quarter, the global economy will remain in a moderate recovery process, but still facing geo-conflicts and other challenges. The Group will continue to focus on its long-term goals, establish new business models, enhancing the competitiveness of its all-round solution services, and continuing to create breakthrough contributions to the industry.

In terms of market, the Group will continue to vigorously explore the global oil and gas emerging markets, laying out the Middle East, Africa, Central Asia, Southeast Asia and other places in the national market, and strive for the smooth landing of major breakthrough projects, in order to broaden the growth space for the Group; in the Chinese market, the Group will continue to focus on key breakthrough projects, to create the ultimate customer experience as the operational norm, and to promote the high-quality and healthy development of the regional market.

In terms of products and technologies, the Group will focus on the sustainable development demand of its oil and gas clients, continue to rely on its comprehensive eight solutions, innovate and strengthen the service capacity of business solutions, so as to continue to create the ultimate experience for its clients.

In terms of management, the Group will further promote globalisation transformation, build a globally oriented, responsive and innovative organisation, and enhance its leadership in all aspects. Meanwhile, the Group will continue to focus on cash flow and return on assets, promote the realisation of an asset-light, fast-turnover and platform-based business model, enhance growth efficiency and achieve overall healthy growth in cash flow and return on assets.

The above statements are based on the current operations of the Group and current market conditions, and not a guarantee of the performance of the Group. The performance of the Group is mainly determined by the market and financial environment.

DISCLAIMER

- The above-mentioned operational data are unaudited and prepared based on preliminary internal information of the Group. Given various uncertainties arising from, among others, the contract signing process, execution progress and client plans, and differences may exist between the above-mentioned quarterly operational data and the information disclosed in the Group's periodic financial reports, therefore, the quarterly operational data published in this announcement shall be considered as periodic data for reference purpose only.
- The above-mentioned quarterly operational data do not constitute, nor should they be construed as, invitation or solicitation to buy or sell any securities or financial instruments of the Group. They do not, nor are they intended to, offer any investment service or investment advice. Investors are advised to exercise caution and not to place undue reliance on such information when dealing in the securities of the Company. When in doubt, investors are advised to seek professional advice from professional or financial advisers.

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

Hong Kong, 18 July 2024

As at the date of this announcement, the executive Directors of the Company are Mr. LUO Lin, Mr. PI Zhifeng and Mr. FAN Yonghong; the non-executive Director is Mr. HUANG Song and the independent non-executive Directors are Mr. ZHANG Yongyi, Mr. ZHU Xiaoping and Mr. WEE Yiau Hin.