

[For Immediate Release]



Antonoil Enters into Acquisition and Cooperation Agreement with Drilling Fluid Companies

A strategic initiative to enhance the drilling fluid business by leveraging the targets' strong engineering capabilities and advanced proprietary technologies

(Hong Kong, 15 May, 2012) **Anton Oilfield Services Group** ("Antonoil" or the "Group", stock code: 3337HK), the leading independent oilfield services provider in China, is pleased to announce that its wholly-owned subsidiary, Anton Oil, has entered into an acquisition and cooperation agreement with the Bazhou Companies, which specialize in the development and production of drilling fluid material and the provision of drilling fluid services. By bringing in the experienced team of engineers and advanced proprietary technologies especially in sophisticated water-based drilling fluid from the Bazhou Companies, the transaction will instantly diversify the Group's product line and strengthen its R&D capabilities in the drilling fluid market.

Under the agreement, Anton Oil will invest RMB61,110,000 (equivalent to HK\$75,220,299) in cash, to be funded by the internal resources of the Group, for a 55% stake in the Bazhou Companies through the establishment of the Target Company. The Vendors and the Bazhou Companies have undertaken to Anton Oil that the consolidated after-tax profits of the Target Company for the period between 1 May 2012 and 31 December 2012 and the two years ending 31 December 2013 and 31 December 2014 will not be less than RMB22,000,000, RMB34,000,000 and RMB44,000,000, respectively.

The transaction marks another significant step forward for the Group in its expansion strategy into the drilling fluid market. In January, the Group announced the formation of a strategic partnership with a joint venture of M-I SWACO, the world-leading drill fluids company to jointly develop the oil-based drilling fluid services market in China.

Commenting on the transaction, **Mr. LUO Lin, Chairman and CEO of Antonoil**, said, "The primary objective of the Group's investment decisions has always been about enhancing the integrated service capabilities in oil and gas field development. We believe that this transaction will make a significant addition to the Group's talents and technologies in the drilling fluid area as part of the integrated services in oil and gas field development."

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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 development technical services to oil companies. Its services and solutions span across the drilling technology, well completion, down-hole operation, and oil production stages 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. The Group's strategic objective is to become a global oilfield services provider with a solid foothold in China.

Antonoil is committed to continuously strengthening its R&D capabilities and making additions to its talent reserves. As of December 31, 2011, the Group employs 1,262 people. 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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