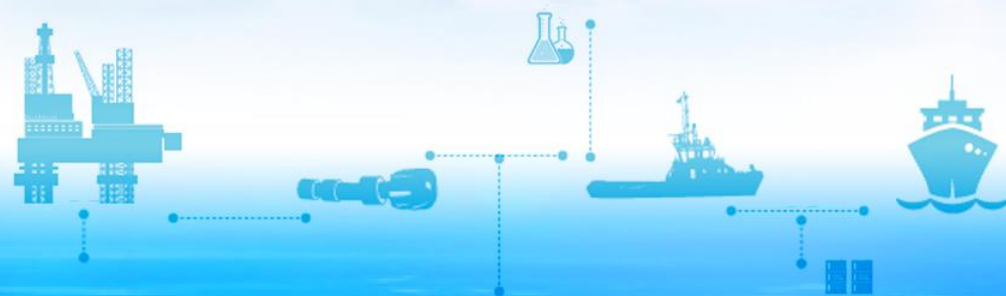




中海油田服务股份有限公司
China Oilfield Services Limited

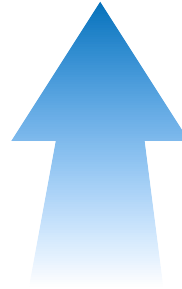


2021 Interim Results Presentation

August 2021

The information contained in this presentation is intended solely for your personal reference. In addition, such information contains projections and forward-looking statements that reflect the Company's current views with respect to future events and financial performance. These views are based on assumptions subject to various risks. No assurance can be given that future events will occur, that projections will be achieved, or that the Company's assumptions are correct. Actual results may differ materially from those projected. Past track record cannot be used as guidance for future performances.

World-Class Energy Service Company with Chinese Characteristics



Five Major Strategies

Technology-Driven

Cost Leadership

Integration

Internationalization

Regional Development

Opportunities and Challenges

- New changes resulted from the new landscape of dual circulation
- New impact from scientific & technological progress and revolution
- New challenges from peak carbon dioxide emissions, carbon neutrality and energy transformation



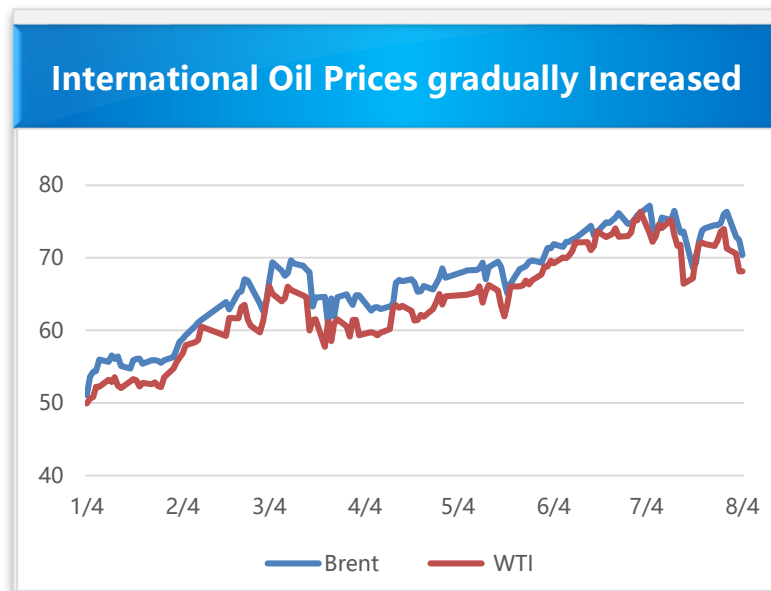
中海油田服务股份有限公司
China Oilfield Services Limited

Content

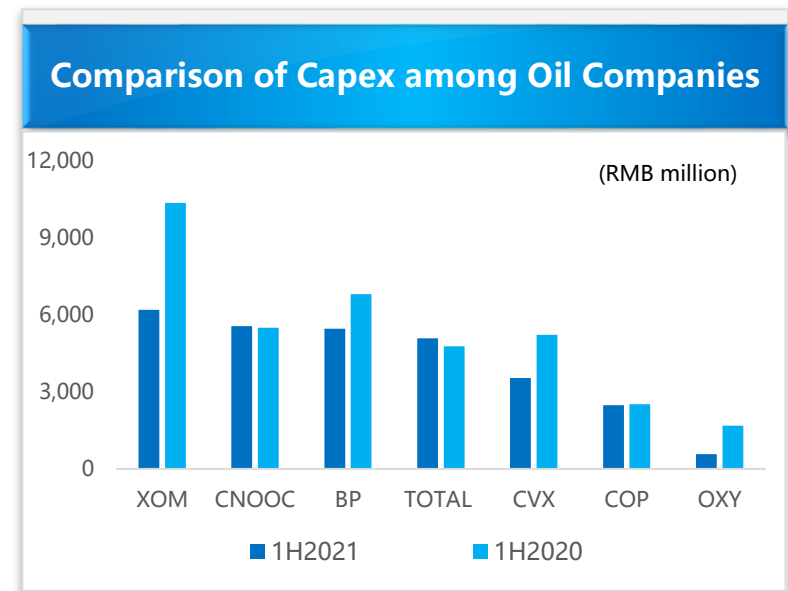
Results Overview

Company Outlook

- ▶ Global crude oil demand continued to recover and international oil prices gradually increased.
- ▶ The investment of international oil companies in exploration and development had a certain lag, and the recovery of oilfield service market was slow.



Source: Bloomberg, data as of August 2021



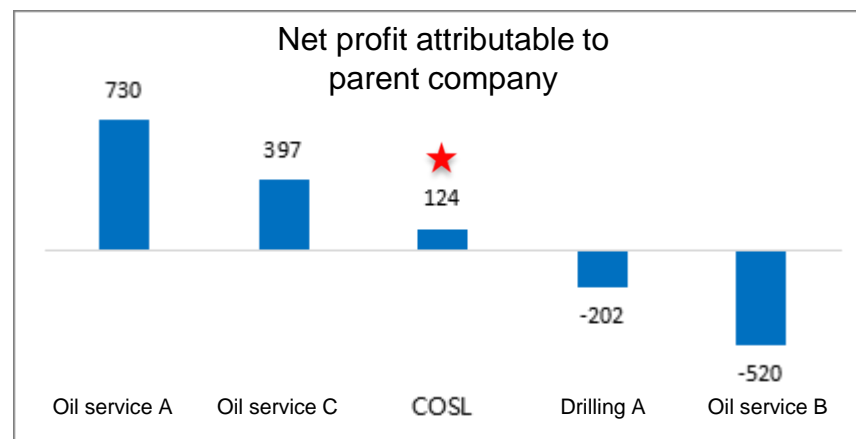
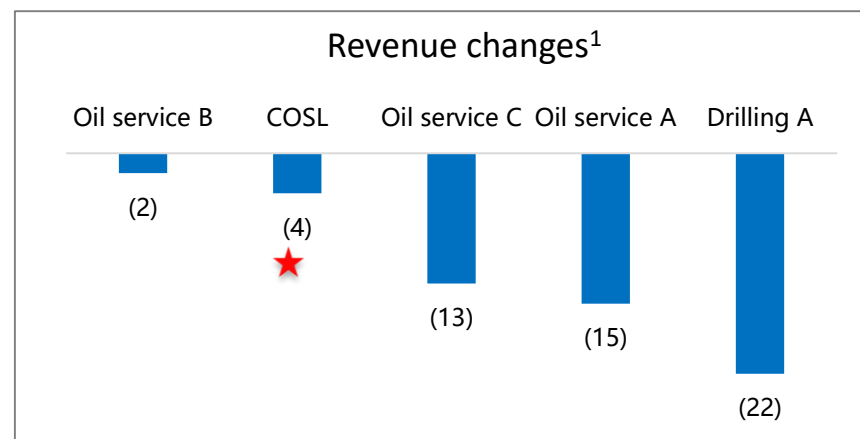
Source: Bloomberg, data as of August 2021

Financial Performance in 1H2021

(RMB million)	1H2020	1H2021
Revenue	12,723	13,187 ¹
Profit from operations	1,355	1,757 ¹
Profit from the period	809	1,257 ¹

(RMB million)	1H2021	2020
Total assets	74,790	75,942
Total liabilities	36,101	37,253
Shareholders' equity	38,689	38,689

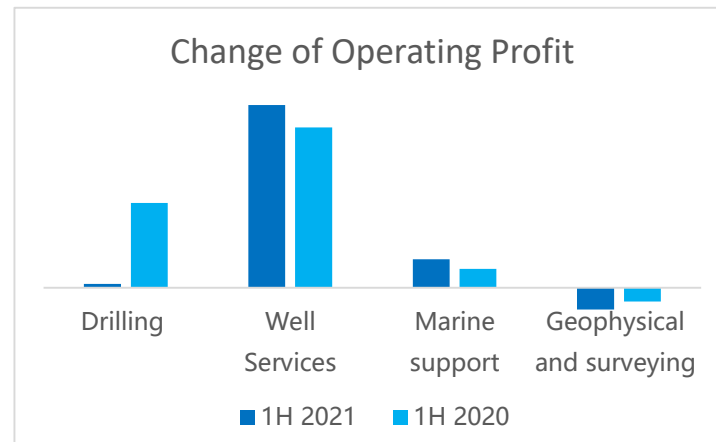
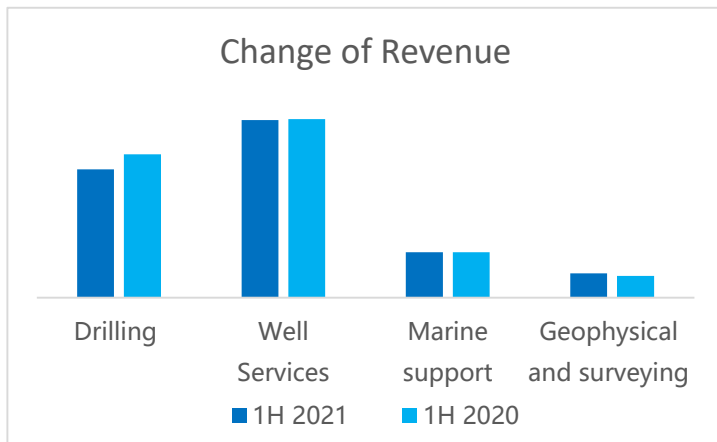
Comparison of revenue changes and net profit attributable to parent company



Note 1: Excluding the impact of reconciliation on revenue and net profit

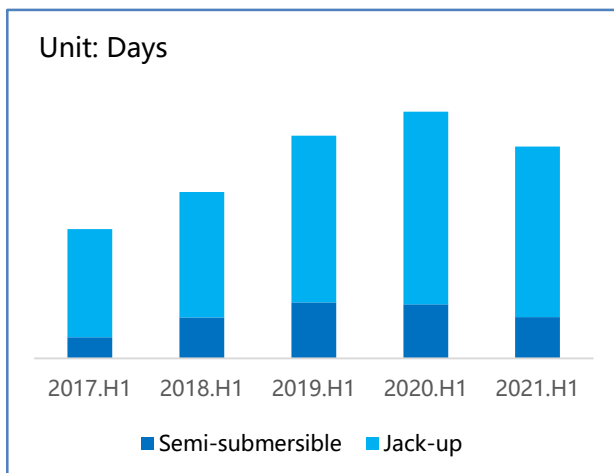
Data from various companies; US dollar to RMB: 1:6.46555; unit: million US dollars
International peers, Schlumberger, Baker Hughes, Halliburton, Transocean

Segments Performance

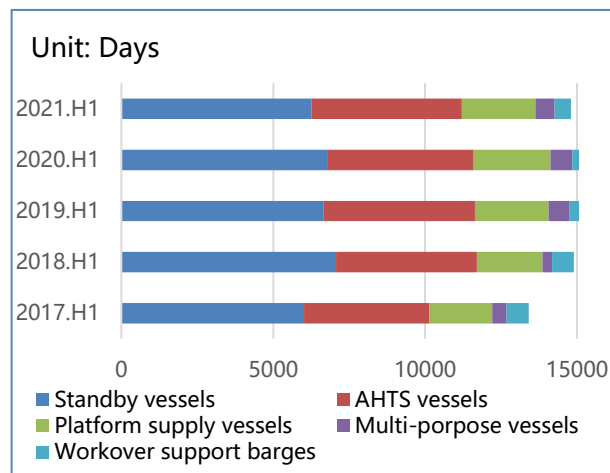


- Both revenue and operating profit declined compared with the same period, mainly due to the decrease in the workload of CDE.
- The operating profit of the well services had increased by RMB160 million, and the operating profit margin had increased year-on-year.

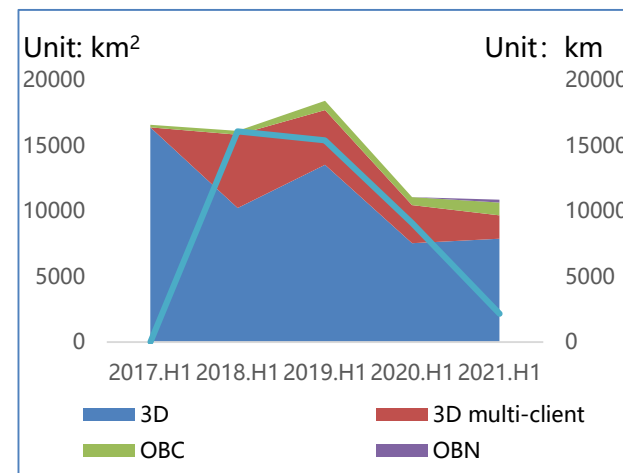
Drilling: operating days



Marine support: calendar day utilization rate of self-owned utility vessels



Geophysical acquisition: collection workload



Rigs utilization rate: equal

World Rig Total Contracted Utilisation
January 2014 - May 2021



Source: IHS Markit, market data as of June 2021

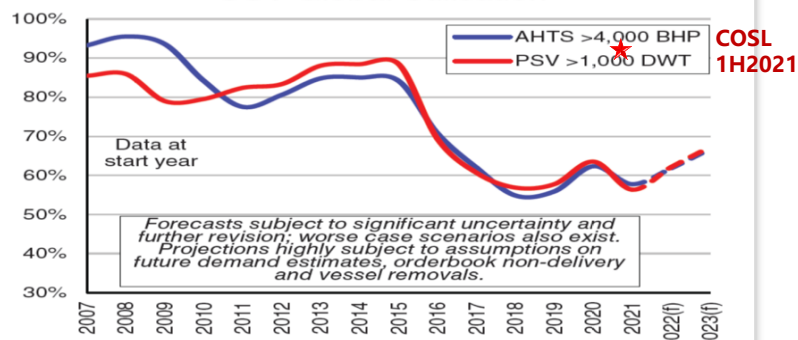
Equipment and technological strengths

- No. 1 globally — Drilling rigs scale
- No. 3 globally — Cementing market scale
- No. 4 globally — Wireline logging market scale
- No. 4 globally — Directional drilling + MWD market scale
- No. 4 globally — Supply Vessels market scale

Source: Spears Report, data as of April 2021

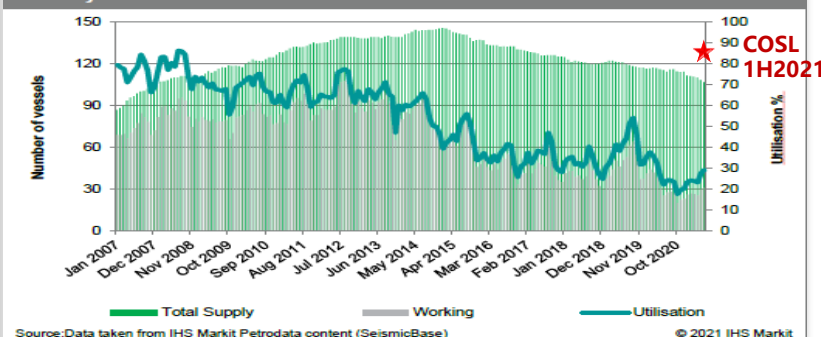
Vessel utilization rate: outperform

OSV Global Utilisation



Seismic vessels utilization rate: outperform

Fleet size, demand and utilisation
January 2007 to June 2021



Source: IHS Markit, market data as of June 2021

Further Exploring Market

- ◆ Specialized development, regionalized layout and integrated management
- ◆ Proactive overseas market development
- Newly secured 19 contracts

Quality Services Wins Recognition

- ◆ COSL HUNTER commended for its quality service
- ◆ COSL STRIKE commended for its quality service
- ◆ COSL BOSS won HSE Outstanding Performance Award
- ◆ HYSY 936 commended for its quality service





1

Continue to make breakthroughs in core technologies

- The rotary steering technology has been continuously applied in domestic onshore oilfields with over 600 times of operation on a cumulative basis.
- The ultra-HPHT wireline logging system has continuously completed operations in various gas fields, setting the highest-pressure operation record of similar instruments in China.
- The wide azimuth, high density, and broadband-based seismic acquisition technology assisted the new discovery of large-scale offshore reserves.
- The deep-water drilling fluid and full-liquid low hydration heat cement paste system assisted the successful operation of “Shenhai 1” gas field.

2

OBN design, acquisition, processing and interpretation

- Build the service capabilities integrating OBN design, acquisition, processing and interpretation in shallow water below 300 m
- Meet the demand for high-precision, high-fidelity and full-azimuth geological data in domestic offshore exploration.

3

Popularize the new mode for scientific research breakthroughs with the recognition of scientific and technological

Economic Benefits

- The contribution of well services to total revenue has continued to rise
- In recent five years, the application of new independent technology has boosted the output value of RMB 19.4 billion

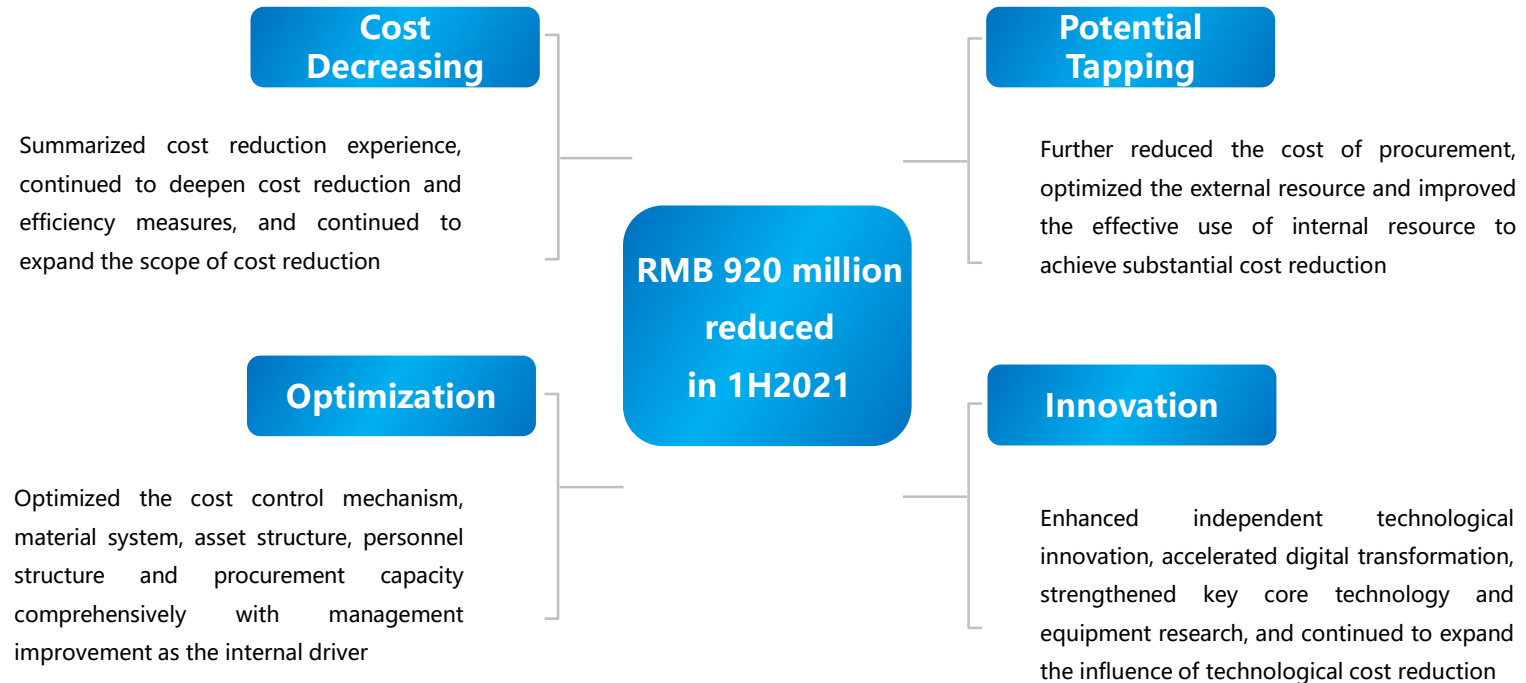
Manufacturing Capacity

- Development model with a tool capacity of 2,500 sets/year, which significantly accelerated the commercialization of independent achievements
- Established an integrated industrial alliance of “Research, Production and Application” and significantly increased the industrialization capacity of acquisition equipment
- Established COSL Wantai Mixed Ownership Company to form a trinity manufacturing system

Market Exploration

- With high-temperature combo logging technology, our market share in the high-temperature well logging operation increased from 12.5% to 82%
- HPHT drilling fluid technology and high-temperature cement slurry performed well in Indonesia and other blocks and were favored by international high-end customers like Shell
- Our market share of completion tools increased from 7% to 70%, water plugging and control from 30% to 70%, and oil well unplugging from 40% to 90%

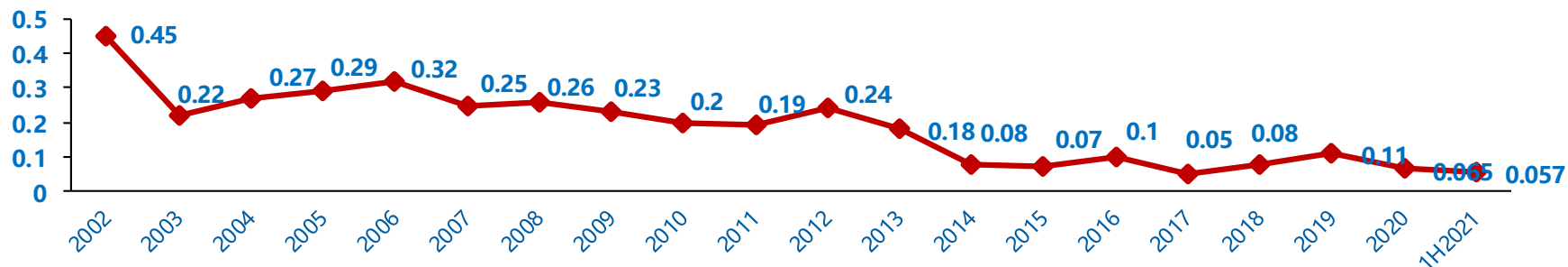
Continue to refine the cost management around the low cost target



Excellent Safety Management



Outstanding OSHA Safety Management Indicators



Social Responsibility and Capital Market Awards

Social Responsibility

- Maritime rescues
- Effectively promoted environmental protection
- Actively made charitable contributions

Honors and Awards

- Best Investor Relations Award
- SASAC's "Benchmark Enterprise"
- 2021 Outstanding Public Company Award





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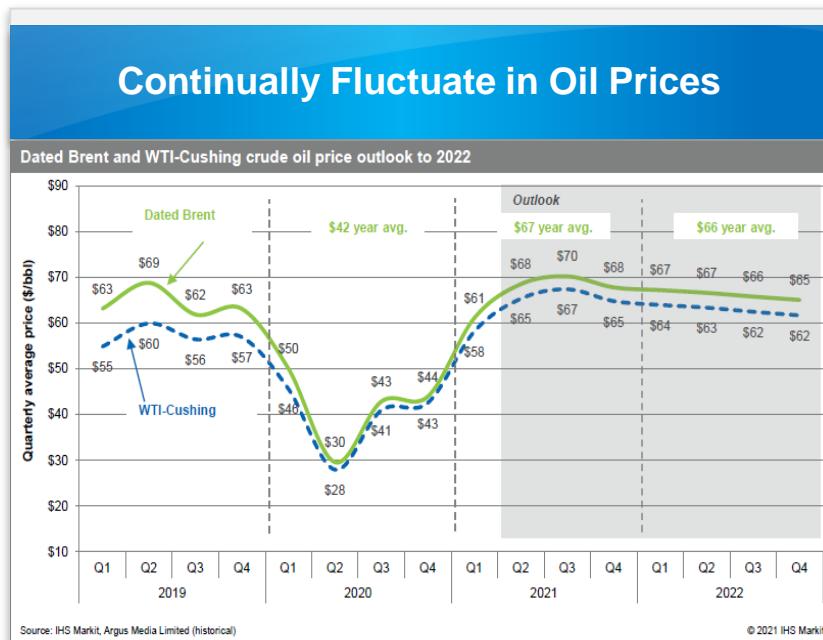
Content

Results Overview

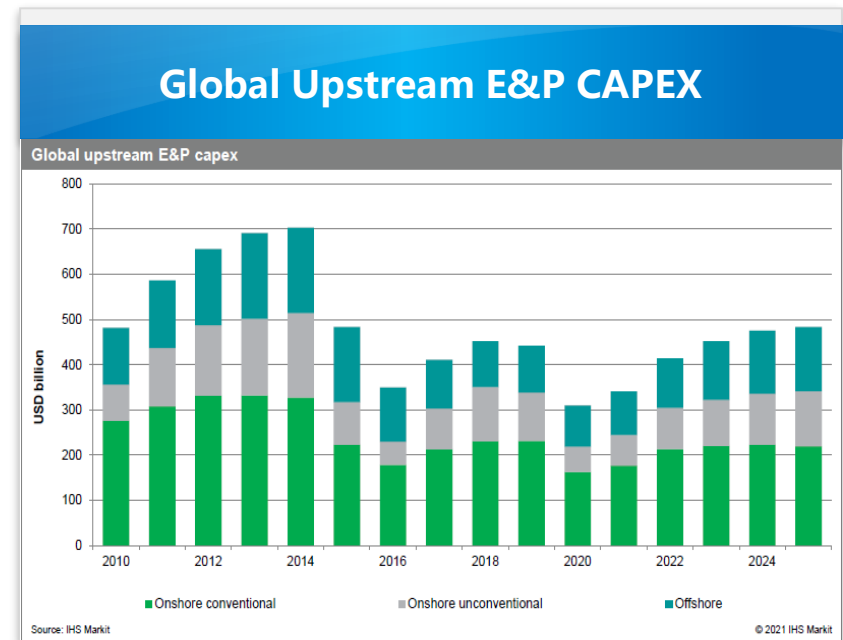
Company Outlook

➡ According to the latest forecast, the annual average price of Brent crude oil is expected to be US\$67/barrel and WTI to be US\$64/barrel in 2021

➡ Global upstream E&P CAPEX will be expected to increase by 10% in 2021 compared to 2020



Source: IHS Markit, data as of June 2021

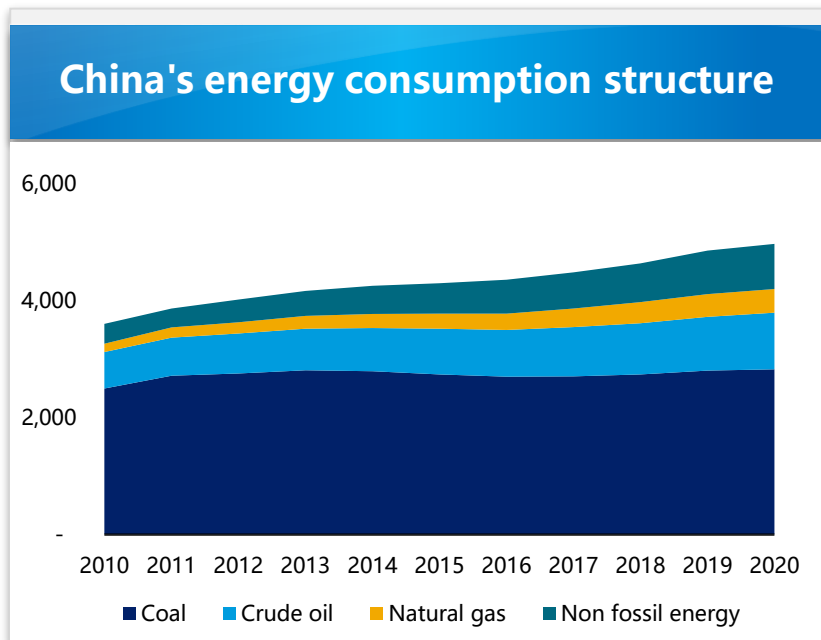


Source: IHS Markit, data as of June 2021

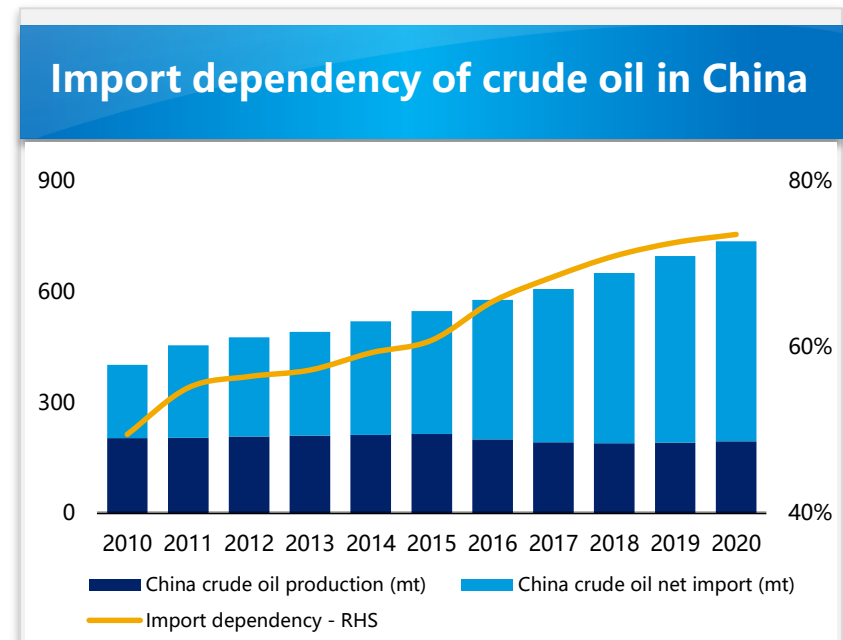
➡ Oil and gas continue making up a large proportion of China's energy consumption structure.

➡ China will increase E&P activities to ensure energy safety.

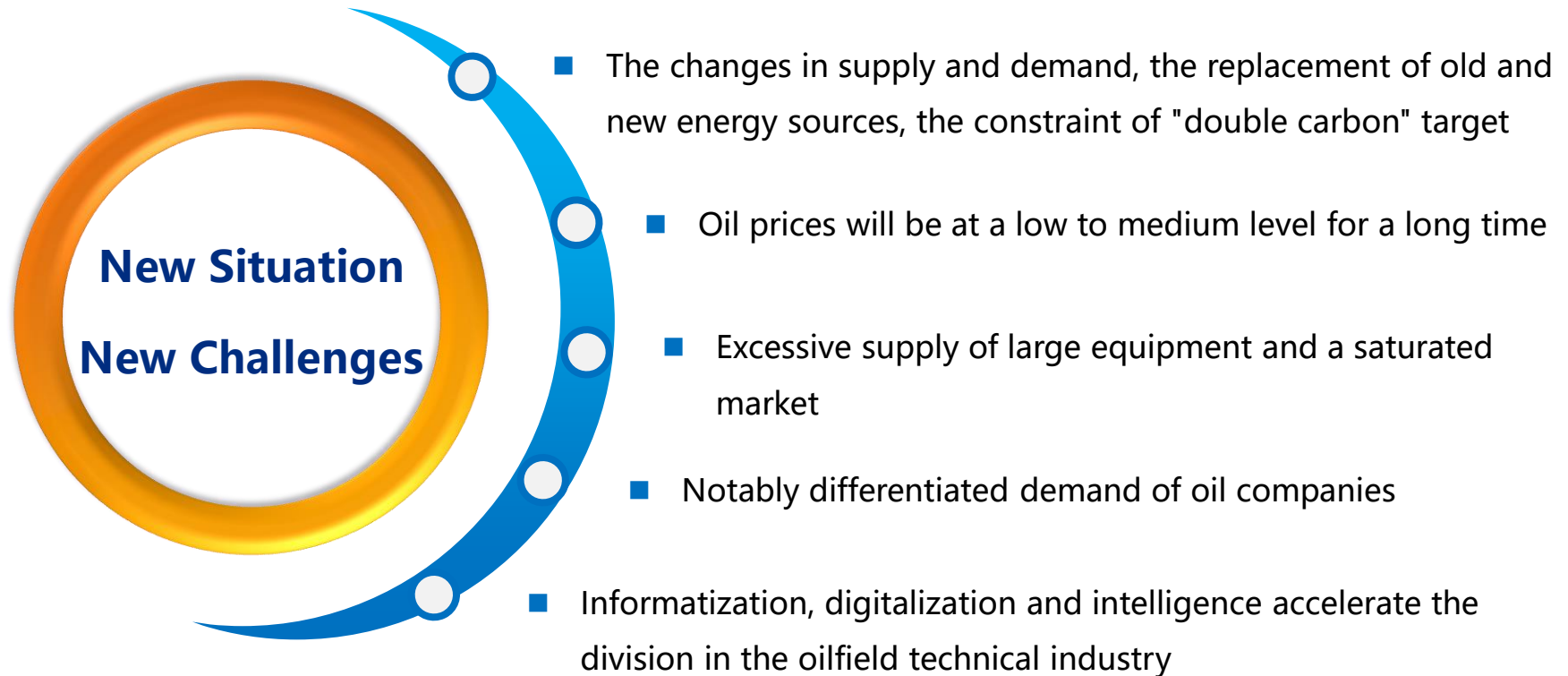
➡ The "Seven-Year Action Plan" implemented will benefit to the oilfield service industry.



Source: Bloomberg



Source: Bloomberg



World-class Energy Service Company with Chinese Characteristics

Technology-driven

- ◆ Focus on fundamental research and development, application-oriented scientific research validation and industrialized application guidance to make the R&D system more systematic and standardized.

Cost Leadership

- ◆ Tap into customers' value chain, offer additional values for customers, and improve customers' investment efficiency and returns

Integration

- ◆ Establish the new model that integrates design, operation, services and products vertically and combine different disciplines and businesses horizontally.

Internationalization

- ◆ Base development on domestic market and seek for the complementary and coordinated development between domestic and international markets.

Regional Development

- ◆ Adopt the integrated commercial model and use profit models related to service and product sales to advance the balanced development of all the businesses in regional markets.



Drilling



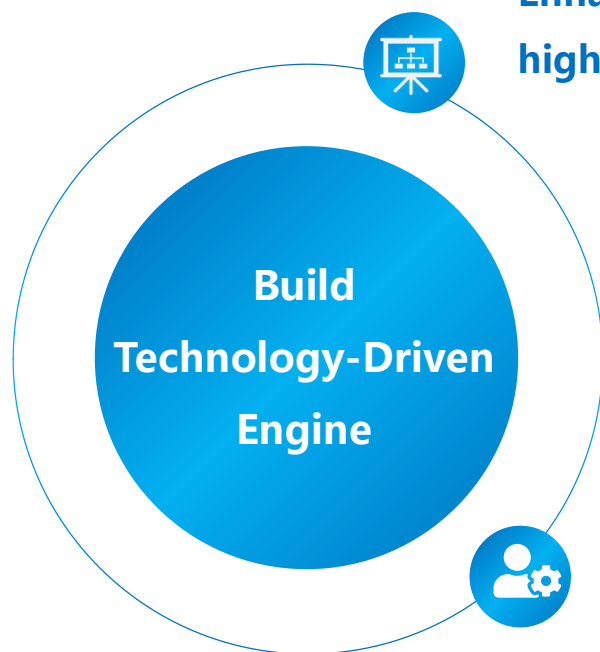
**Marine
Support**



**Well
Services**



**Geophysical
Acquisition
and Surveying**



Enhance core competitiveness with low cost, high efficiency and high technology

- Work to advance technical breakthroughs in key technologies and accelerate the transformation towards digitalization and automation
- Develop high-quality, large-scale and low-cost manufacturing and ensure the completeness of the industrial chain
- Strengthen cooperation with customers, increase participation at the source and precisely match technical demand

Pursue green and low-carbon development

- Focus on industrial structure adjustment and upgrading, energy-saving technology transformation, green engineering construction
- Conduct clean energy and alternative energy research, and perform power source renovation with the goal of carbon reduction measures
- Create new competitive advantages, and vigorously develop the CCUS industry chain of technology

Focus in deepwater/deep well/deep layer, HPHT, heavy oil/low permeability/unconventional

- Enhance processing and interpretation capacities
- Accelerate the coordination of processing platform, and consolidate the technical position in the system
- Expedite the finalization and industrialization of OBS



Integration of collection and dissolving



Differentiation and scale

- Speed up the serialized development and large-scale application of logging while drilling and rotary steering
- Create differentiated products to meet the needs in different scenarios
- Strengthen advantages of high end technology

- Gain further insight into the cost composition of system products and enhance market competitiveness
- Make good high-end products relating to deepwater/HPHT/environmental protection



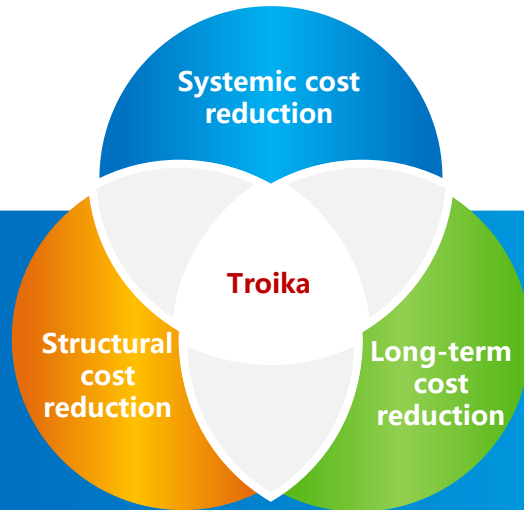
Core technical economy



Transformation of technical service models

- Improve heavy oil and low permeability technology system and form low-cost and high-efficiency service capability
- Deeply involve in the development of profile control, profile modification and water control, and form the core competitiveness

Accelerate the consisting of systemic cost reduction, structural cost reduction and long-term cost reduction



Make great efforts in systemic, structural and long-term cost reduction and efficiency improvement aspects such as strategic cooperation, core technology research, manufacturing capacity improvement, staffing optimization, equipment structure upgrading, further cost reduction of procurement, lean repair control, to develop cost advantage.

Strategic cooperation

Make equipment, system and technology lists systemically, standardly and scalarly, look for quality suppliers to sign strategic cooperation agreements, and gradually establish a strategic cooperation relationship linking research, production, application, service, repair and storage of the whole industry chain

Refined cost control

Popularize single well cost accounting and control

Differentiated management of various sectors for special cost reduction

Drilling

- Coordinate self-owned and available for leasing equipment and increase the leasing rate of self-owned equipment
- Step up efforts in market exploration

Marine Support

- Improve the leasing rate of self-owned equipment, and steady the profit margin of available for leasing vessels
- Optimize personnel: reduce labor cost, while improve productivity



Well Services

- Further expand service scope, and consolidate the results of overseas market expansion
- Further improve independent operation capabilities and technological transfer efficiency

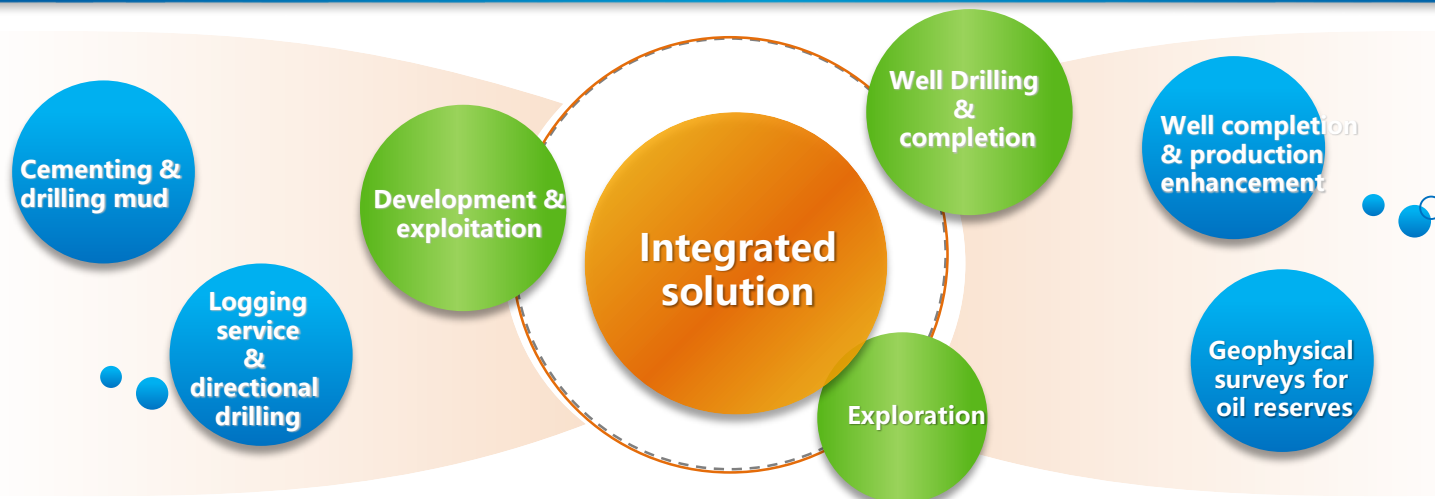
Geophysical Acquisition and Surveying

- Increase the potential of leasing fees and submarine cable subcontracting for cost reduction
- Innovated technologies & improved capabilities to reinforce the core competitiveness

Customer demands-oriented integrated service capability throughout the oil field life cycle

- ◆ Focusing on customer needs, committed to providing value-added assets for customers
- ◆ Vertical integration of design, operation, service and product, horizontal integration of multi-professional and full-business combination services
- ◆ Internal integration of business lines, the integration of all business lines
- ◆ Flexible business model to enhance the ability of profitability and resist risk

A leading energy services company that provides customers with full life cycle services



“Equipment+” Integration

- ◆ Workover integration
Workover + stimulation + ESP service + downhole tool service etc
- ◆ EPS integration
Multifunctional rig+ Marine support +EPS
- ◆ Iraq's integration of drilling engineering
Drilling+completion+stimulation

“Technology+” Integration

- ◆ Iraq's technology integration
Acid fracturing+coiled tubing+mud
- ◆ Yuedong project
Integration of drilling and completion
- ◆ Lvda extra heavy oil recovery
Integration of drilling and production + integration of drilling and completion

Exploration Integration

- ◆ High-precision marine geophysical prospecting 3D acquisition operation ability
- ◆ The ability to prospect and build wells across all sea areas and strata
- ◆ Complex formation reservoir assessment ability

Development and Production Integration

- ◆ ODP design capability
- ◆ Conventional and special reservoir development capabilities
- ◆ Ability of dynamic monitoring, adjustment and maintenance of oilfield production
- ◆ Develop stimulation techniques and complete stimulation techniques for various reservoirs

- Enhance overseas operation risk resistance depending on the differentiated regional strategy
- Make every effort to promote the overseas development of well services sector
- Actively promote the innovation of business and operation models
- Enhance the integration service capability and improve the company's competitiveness

Asia Pacific

- Stabilize and strengthen the cooperation with existing customers
- Take the cementing, drilling fluid and disposal integration project as an opportunity to capture a greater market share

Middle East

- Consolidate and strengthen the existing cooperation and strive for a larger market share
- Gradually expand the service scope and customer

Americas

- Consolidate and strengthen the cooperation with existing customers
- Emphasize the development of directional wells, logging and other related businesses

Europe

- Consolidate and strengthen the partnership and actively expand other customer markets
- Provide customers with high-quality drilling services

Far East

- Stabilize the offshore drilling market and continue to deepen the cooperation with existing customers
- Actively promote the integration service, technical service and product sales business

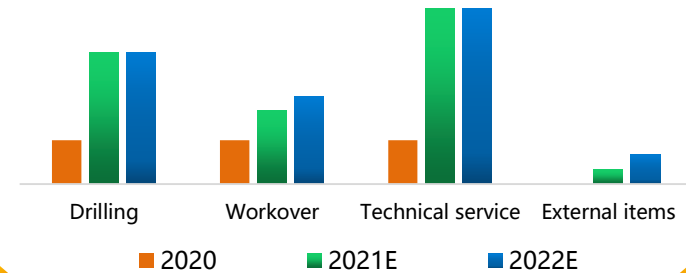
Africa

- Take the integration service as an opportunity to expand the surrounding market
- Promote product sales business as appropriate

- ◆ The workload increased significantly compared to last year and is expected to remain stable increase in 2022.
- ◆ The successful acquisition of the new project has further expanded the company's market share

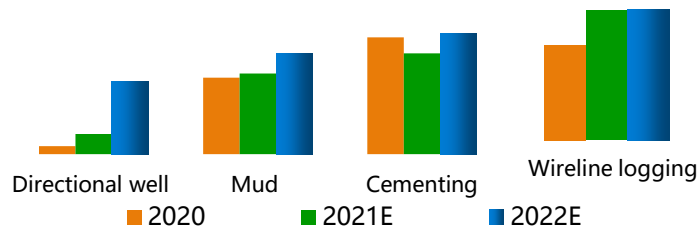
Iraq

Operation Forecast



Indonesia

Operation Forecast



- ◆ The workload of drilling sector is stable
- ◆ Well service sector is expected to see a slight increase
- ◆ With the first application of D+W in Indonesia

- ◆ Operating of modular drilling rigs is gradually increasing
- ◆ Jack-up drilling rigs will be put into full operation
- ◆ The scale of marine support increased year-on-year
- ◆ The scale of well service gradually increased

Mexico



**Adhere to domestic and international markets,
center on customers, and vary strategies with regions**

Domestic market

- Build a domestic and overseas dual-circulation system based on domestic circulation
- Co-ordinate the increases in storage and production and guarantee national energy safety
- Take active part in regional development and adjust business deployment and strategies

International market

- Select key customers based on regional characteristics, take customer needs as the center, and adopt different strategies in different regions
- Coordinate the development of equipment and technology, and achieve regional large-scale development
- Optimize the ability of resource integration, build the leading advantage of cost, and enhance the competitiveness of integrated service

Further expand cooperation with core customers



- Closely track additional potential operation of CNOOC Ltd. 's new blocks
- Improve recovery rate and increase effective production capacity of "low-permeability and heavy-oil" oilfields through technical innovation
- Actively follow up CNOOC Ltd. 's overseas projects

Conventional - Unconventional

- Promote the development of unconventional oil and gas such as shale gas, tight gas and coal bed methane

Traditional - New Energy

- Explore the wind power business
- Vigorously develop the EPS business
- Carry out the combustible ice mining business

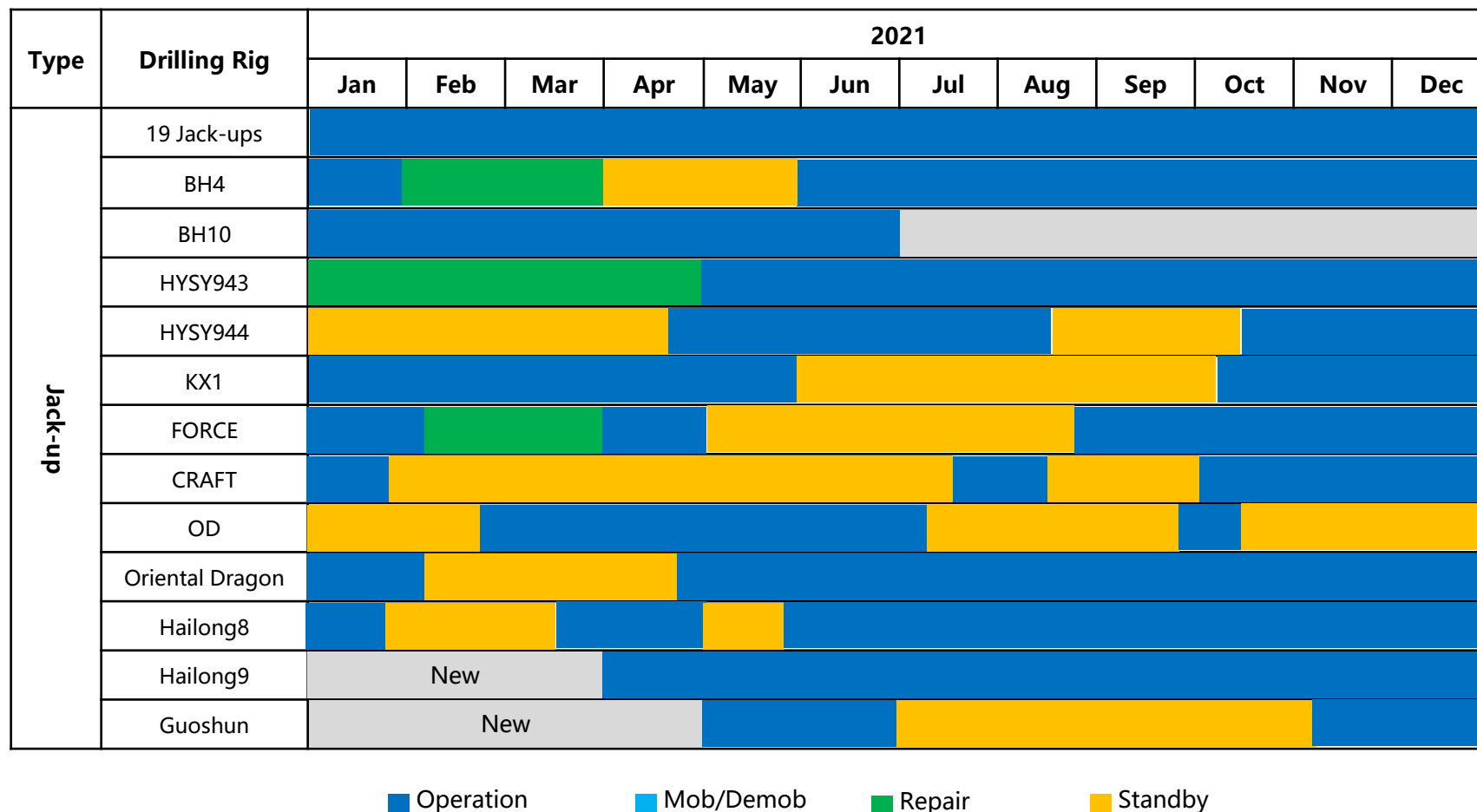
Traditional - Modernization, Digitalization, Intelligence

- Carry out digital transformation and information design to clarify the direction and path of information development and digital transformation

Offshore - Onshore

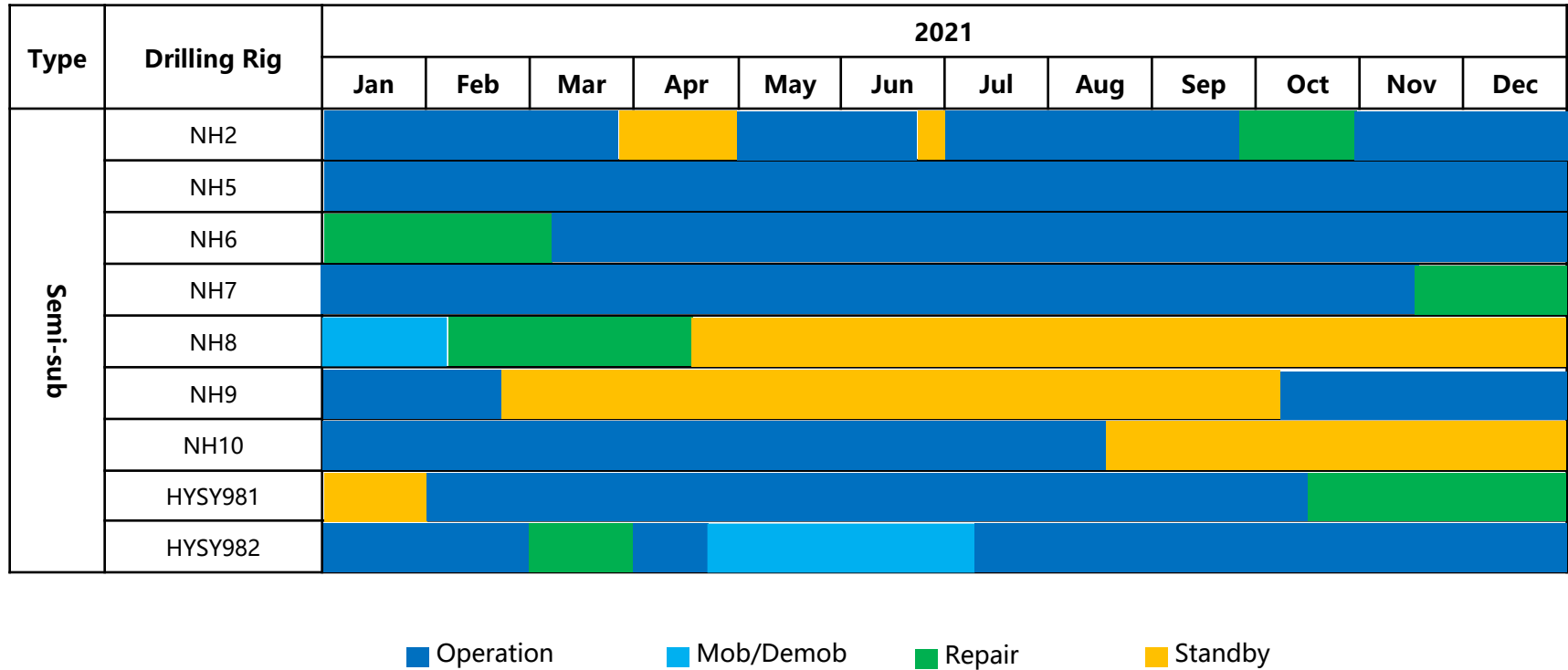
- Develop the onshore rig business to drive the rapid growth of well services sector

Domestic Rig Operation Status



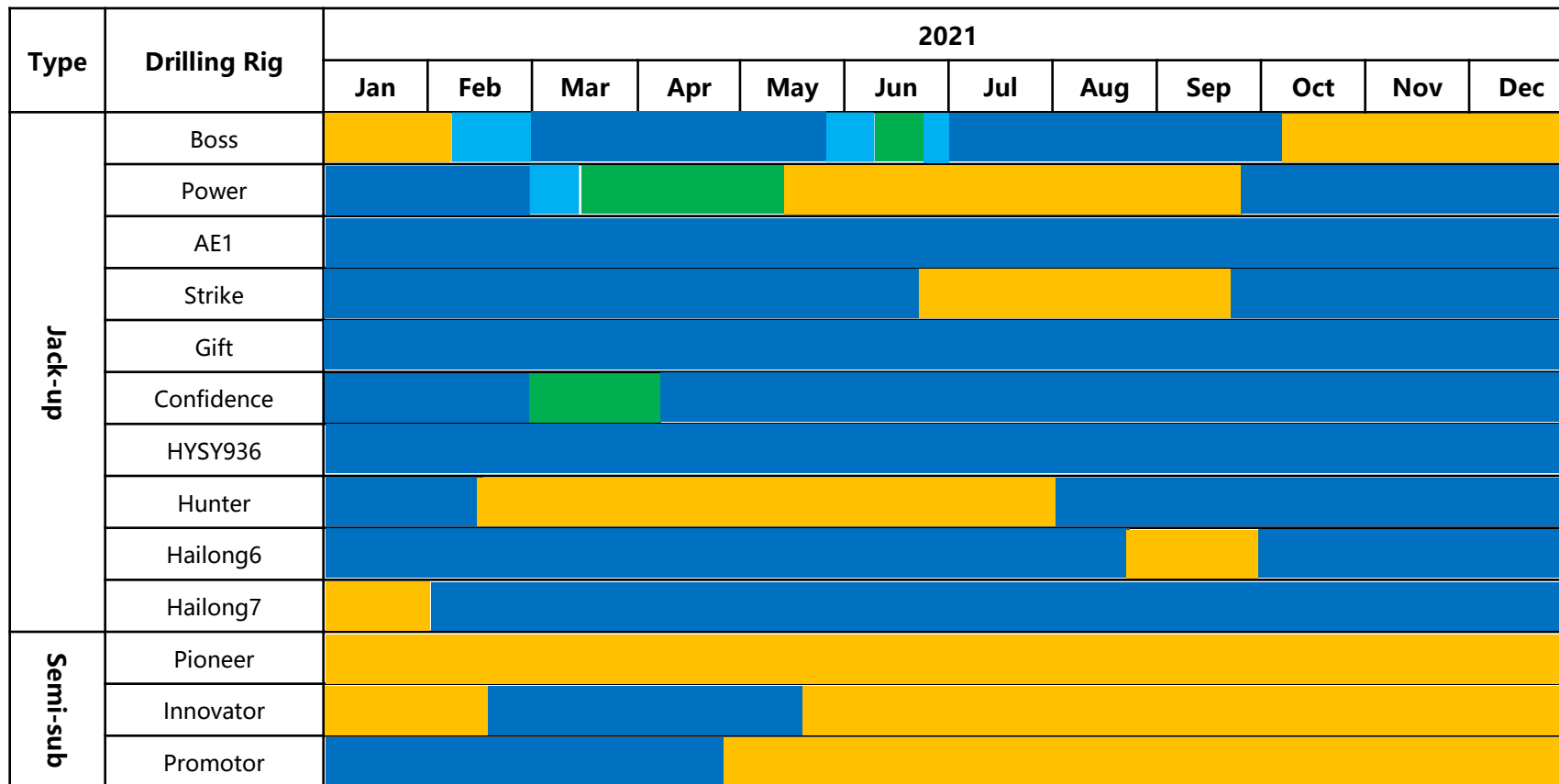
Note: The update date ends on June 30, 2021. 2 Jack-up rigs (Seeker\Oriental Phoenix) is still in the bidding or negotiation process, the above information may change in the future.

Domestic Rig Operation Status



Note: The update date ends on June 30, 2021. 1 semi-submersible rigs (Prospector) is still in the bidding or negotiation process, the above information may change in the future.

Overseas Rig Operation Status



■ Operation
 ■ Mob/Demob
 ■ Repair
 ■ Standby

Note: The update date ends on June 30, 2021. As part of the contract is still in the bidding or negotiation process, the above information may change in the future.



- ◆ **Attach great importance to pandemic prevention and control**
- ◆ Scientific prevention and control and precise implementation of policies -- prevent external input and internal rebound and prevent against the transmission of viruses through human and objects
- ◆ Accelerate COVID-19 vaccination among all staff and guarantee the health and safety of all staff
- ◆ **Dynamically deploy pandemic prevention and control measures, ensure pandemic control while stabilizing production and operation**
- ◆ Dynamically adjust response levels and prevention and control measures based on changes in pandemic risk levels
- ◆ **Dynamically adjust the country and person specific policies based on situations**
- ◆ Pay attention to overseas pandemic patrol that covers all overseas branches
- ◆ Prevent against the pandemic with people, materials and technologies to ensure "zero infection" .



Improve Management

- ◆ Increasing investment in technology R&D
- ◆ Upgrading of technological capabilities
- ◆ Promoting green and low-carbon development
- ◆ Refined cost control

Lead Industry

- ◆ Unique integrated advantage
- ◆ Regional core market consolidation
- ◆ Steady progress in international business
- ◆ High efficiency in operation services

Technology-Driven
Internationalization

Cost Leadership
Regional Development

Integration

我们必须做得更好

ALWAYS DO BETTER

COSL

