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**COSL**

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

*(Incorporated in the People's Republic of China as a joint stock limited liability company)*  
**(Stock Code: 2883)**

## **DISCLOSEABLE TRANSACTION PURCHASE OF DRILLING RIGS**

### **THE PURCHASE**

The Board announces that on 18 September 2023 (after trading hours), the Purchasers and the Vendor entered into the Rigs Purchase and Sale Contracts, pursuant to which, the Purchasers proposed to use their self-owned fund to purchase the Target Assets from the Vendor at a total contract price of RMB3,251.6 million (tax exclusive).

### **IMPLICATION UNDER THE LISTING RULES**

As the highest percentage ratio (as defined in the Listing Rules) in respect of the Purchase exceeds 5% but is less than 25%, the Purchase constitutes a discloseable transaction for the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

### **THE PURCHASE**

The board of directors (the “**Board**”) of China Oilfield Services Limited (the “**Company**”) announces that on 18 September 2023 (after trading hours), COSL Leasing (Tianjin) Co., Ltd. (the “**Purchaser 1**”) and COSL Hainan Technical Services Ltd. (the “**Purchaser 2**”, together with the Purchaser 1, the “**Purchasers**”), wholly-owned subsidiaries of the Company, entered into the rigs purchase and sale contracts (the “**Rigs Purchase and Sale Contracts**”) with Dalian Shipbuilding Offshore Co., Ltd. (the “**Vendor**”), respectively, pursuant to which, the Purchasers proposed to use their self-owned fund to purchase four JU2000E jack-up drilling rigs (the “**Target Assets**”) from the Vendor at a total contract price of RMB3,251.6 million (tax exclusive) (the “**Purchase**”).

The principal terms and content of the Purchase and the Rigs Purchase and Sale Contracts are as follows:

Date:	18 September 2023 (after trading hours)
Purchaser 1:	COSL Leasing (Tianjin) Co., Ltd.
Purchaser 2:	COSL Hainan Technical Services Ltd.
Vendor:	Dalian Shipbuilding Offshore Co., Ltd.
Target Assets:	Four jack-up drilling rigs. Such drilling rigs are drilling devices used for offshore oil and gas survey and exploitation engineering, and are suitable for operations in the marine environment within 400 feet of water depth worldwide, with the maximum well drilling depth reaching 35,000 feet.
Description of the Ownership of the Target Assets:	The property rights of the Target Assets are clear. Two of the four jack-up drilling rigs are free from any mortgage, pledge and any other restrictions of transfer. It is not subject to litigations, arbitrations or judicial measures such as seizure or suspension. Certain equipment of the other two drilling rigs is mortgaged (the “ <b>Two Rigs with Mortgage</b> ”). Before signing the Rigs Purchase and Sale Contracts, the Vendor has provided the Purchasers with a statement that the mortgagee of the above Two Rigs with Mortgage agrees to the sale of the relevant two drilling rigs by the Vendor.
Delivery Date:	Two of the four jack-up drilling rigs will be delivered within 90 calendar days after the Rigs Purchase and Sale Contracts are signed, and the other two will be delivered on or before 31 August 2024.
Contract Price:	The contract price of the jack-up drilling rig is RMB812.9 million/unit (tax exclusive), and the total contract price of four drilling rigs is RMB3,251.6 million (tax exclusive). If the Vendor delays the delivery of the Target Assets, the contract price to be paid by the Purchasers to the Vendor shall be adjusted downwards according to the relevant terms of the Rigs Purchase and Sale Contracts.

**Pricing Basis:** With regard to the determination of the above contract price, the Purchasers made reference to the latest market situation and trading environment, relevant market reports, relevant quotation information of drilling rig transactions obtained from third parties, the latest trading prices of the same type of drilling rigs or the drilling rigs with similar functions available in the market (the average trading price of each of the relevant drilling rig ranges from RMB800 million to RMB900 million), the mortgages created on certain equipment of the drilling rigs, the average unaudited carrying amount of each of the Target Assets provided by the Vendor ranging from approximately RMB1,450 million to RMB1,550 million, and reasons for and benefits of the Purchase (the details are set out in the section headed “Reasons for and Benefits of the Purchase” below) as a basket of factors and benchmarks for this pricing consideration (collectively, the “**Purchase Pricing Basis**”), and the Purchasers and the Vendor finally determined the contract price on arm’s length negotiations and on normal commercial terms in accordance with the principles of fairness and reasonableness.

**Payment Terms:** Two jack-up drilling rigs without mortgage: After the following conditions that (i) the Rigs Purchase and Sale Contracts come into effect; (ii) the Vendor provides the invoice for the first installment; and (iii) the Vendor provides a guarantee for the first installment (collectively, the “**Payment Terms for the First Installment**”) are fulfilled, the relevant amount will be paid in two installments: the Purchaser shall pay RMB404 million to the Vendor as the first installment within five working days, and shall pay the remaining amount under the contract upon the delivery of drilling rigs.

Two Rigs with Mortgage: After the Payment Terms for the First Installment are fulfilled, the relevant amount will be paid in two installments: the Purchaser shall pay RMB80.80 million to the Vendor as the first installment within five working days, and shall pay the remaining amount under the contract upon the delivery of the drilling rigs and the release of the mortgages.

**Guarantees:**

1. Guarantee for the first installment: The Vendor shall, within 5 working days from the effective date of this contract, arrange the relevant bank to issue a guarantee for the first installment in favor of the Purchasers to guarantee the responsibility and obligation of the Vendor to refund the first installment and relevant interest to the Purchaser as a result of the breach of the Rigs Purchase and Sale Contracts by the Vendor.

2. Guarantee for quality assurance: The Vendor agrees to provide the Purchasers with an irrevocable and independent demand guarantee for quality assurance with the amount of RMB10 million issued by the relevant bank in favor of the Purchasers with respect to each of drilling rigs at the same time when the Target Assets are delivered, and the term of the guarantee for quality assurance shall be 19 months from the date of delivery of the Target Assets.

## **INFORMATION ON THE PARTIES**

### **The Company**

The Company is one of the leading integrated oilfield services providers in the world. Its services cover each phase of oil and gas exploration, development and production.

### **The Purchasers**

Purchaser 1, a company incorporated in accordance with the laws of the People's Republic of China (the "PRC", for the purpose of this announcement only, excludes Hong Kong, Macau Special Administrative Region and Taiwan), is a wholly-owned subsidiary of the Company and mainly engages in vessels leasing business.

Purchaser 2, a company incorporated in accordance with the laws of the PRC, is a wholly-owned subsidiary of the Company and mainly engages in oil and gas exploration service.

### **The Vendor**

The Vendor is a wholly-owned subsidiary of Dalian Lingang Shipbuilding Offshore Co., Ltd. and is incorporated in accordance with the laws of the PRC. It mainly engages in the design, manufacturing, modification and repair of oil drilling rigs and other offshore structures.

To the best of the knowledge, information and belief of the directors of the Company (the "Directors"), having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are independent third parties not connected with the Company and its connected persons (as defined in the Listing Rules).

### **Reasons for and Benefits of the Purchase**

The Target Assets of the Purchase shall meet the actual operating needs of the Company, enhance the market competitiveness, further improve the quality of large-scale equipments, and cover the gap of gradual transformation and exit of the aging drilling rigs. The pricing of the Target Assets referred to the pricing basis of the Purchase, and was finally determined by the Purchasers and the Vendor on arm's length negotiations and on normal commercial terms in accordance with the principles of fairness and reasonableness. The Purchase will not adversely affect the Company's financial status,

main business and going-concern ability, and there is no harm to the interests of the Company and shareholders. The Purchase is a part of the Company's capital investment to optimize the fleet structure and enhance the competitiveness of high-end jack-up and mid-deep water businesses. The Directors consider that the terms of the Rigs Purchase and Sale Contracts are on normal commercial terms and are fair and reasonable, and the Purchase is in the interests of the Company and its shareholders as a whole.

## **IMPLICATION UNDER THE LISTING RULES**

As the highest percentage ratio (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")) in respect of the Purchase exceeds 5% but is less than 25%, the Purchase constitutes a discloseable transaction for the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

By Order of the Board  
**China Oilfield Services Limited**  
**Sun Weizhou**  
*Joint Company Secretary*

19 September 2023

*As at the date of this announcement, the executive directors of the Company are Messrs. Zhao Shunqiang (Chairman), Lu Tao and Xiong Min; the non-executive directors of the Company are Messrs. Fan Baitao and Liu Qiudong; and the independent non-executive directors of the Company are Ms. Chiu Lai Kuen, Susanna, Messrs. Kwok Lam Kwong, Larry and Yao Xin.*