

我们必须做得更好
ALWAYS DO BETTER

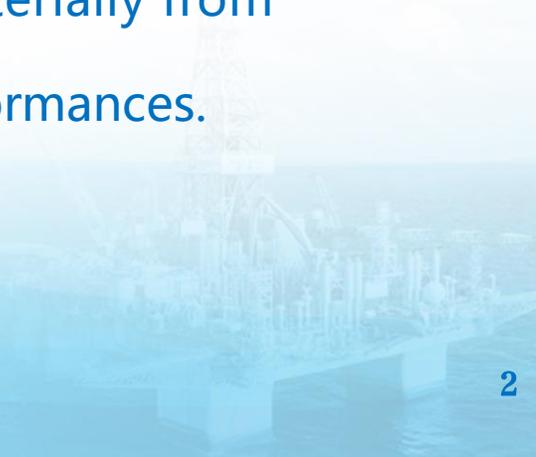
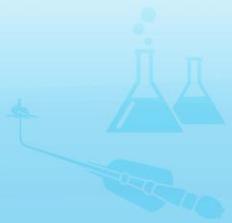


COSL

Interim Results 2024

August 2024

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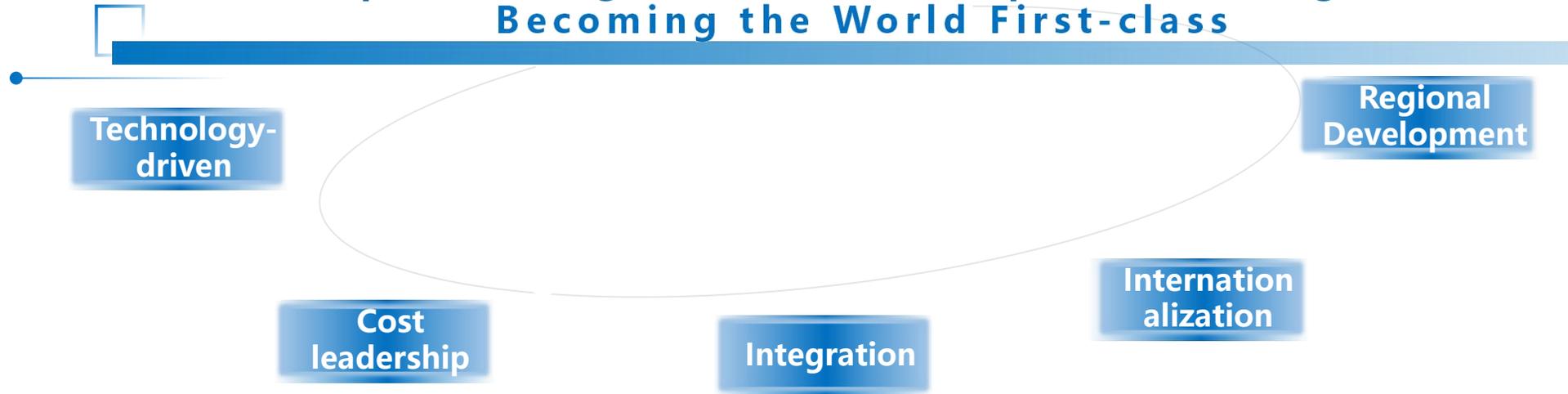
The background of the slide is a photograph of an offshore oil rig in the middle of the ocean. The rig is yellow and white, with a tall derrick. A large, dark pipe extends from the rig towards the foreground, ending in a circular, metallic structure with several smaller pipes. The ocean is a deep blue, and the sky is a lighter blue with some white clouds. The rig has a small fire or flare on its left side.

I. Strategy Implementation Review

II. Interim Performance Display

III. Future Business Outlook

Implementing the Five Development Strategies, Becoming the World First-class



- Total assets **exceeding RMB83 billion**, asset-to-liability ratio remained stable, and revenue continued to grow positively
- **15** business product lines and **62** core technology series. High tech brands such as “Xuanji”, “Haimai” and “Haijing”. Technology sector output value has risen to **57%**
- Operated and managed over **320** large equipment units (vessels), establishing the world's largest offshore oilfield service provider of equipment scale

- Strategic emerging industries such as high-end equipment manufacturing, new materials, and low-carbon. In 2023, the revenue from strategic emerging industries accounted for **15.2%**
- Operating water depths range from **5 meters to 3,000 meters**
- **"1+2+N" market pattern**, taking the domestic market as the base, Middle East and Southeast Asia as two wings, expanding into international markets

Review of the Five Development Strategies

COSL

Technology
-driven



Cost
leadership

Integration



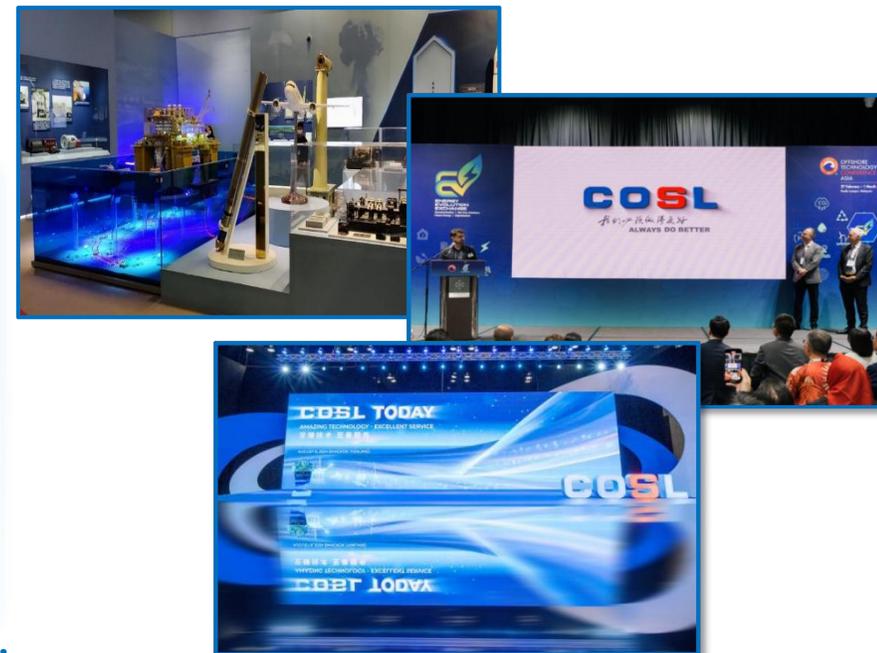
Internation
alization

Regional
development

Striving to build the source of original technology in offshore oil and gas exploration

Technological
Achievements Output

- **4** achievements: The list of scientific and technology innovation achievements of central enterprises
- **3** achievements: The first units (sets) of major technical equipment in the energy sector
- **2** achievements: Top Ten Achievements of National Oil and Gas Exploration and Development in 2023
- **2** technologies won the 2024 OTC Asia New Technology Award
- Organized the global launch of "**COSL Today**" first to unveil three high-end oil and gas technology integrated solutions for **Deepwater/HTHP drilling, Infilled adjustment wells and CO2 reinjection wells**



Full-chain technologies in exploration, drilling and completion, development, and green and low-carbon.

Exploration



Subsea seismic node and towed cable systems

Drilling and
Completion



"Xuanji" intelligent assembly production line

Development



"Haihong" R&D and manufacturing intelligent factory

Green and
Low carbon



Offshore environmental protection and CCUS negative carbon industry

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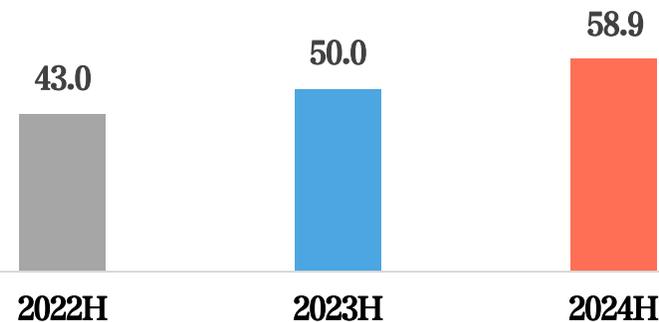
Cost-to-revenue ratio

Cost-to-revenue ratio continued to improve



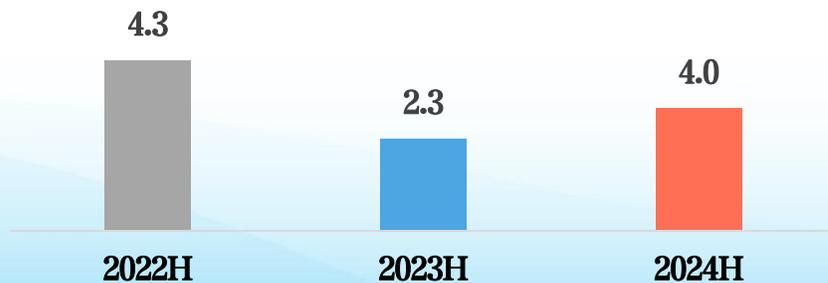
EBITDA

EBITDA increased steadily



Working Capital Turnover Rate

Working capital turnover rate has remained within appropriate range



Net Cash Flows

Net cash flows generated from operating activities accelerated to improve



Unit: RMB 100 million

Review of the Five Development Strategies

Technology
-driven

Cost
leadership

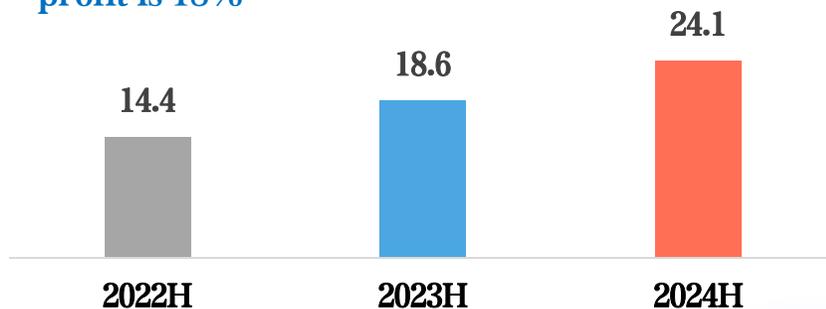
Integration

Internation
alization

Regional
development

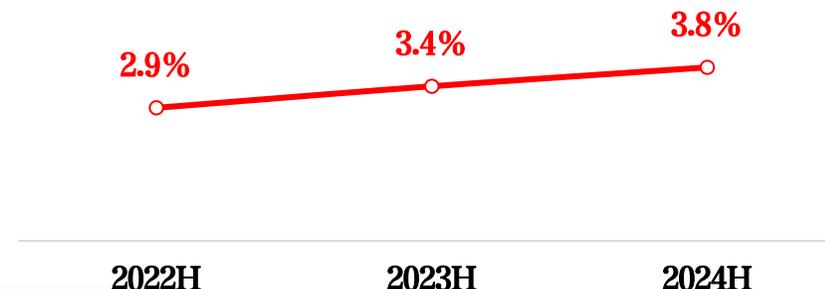
Profitability

The compound annual growth rate of total profit is 18%



Return on Investment

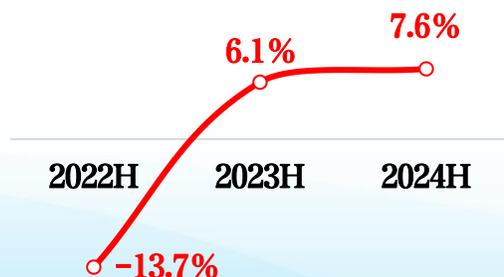
The compound annual growth rate of weighted average ROE is 9%



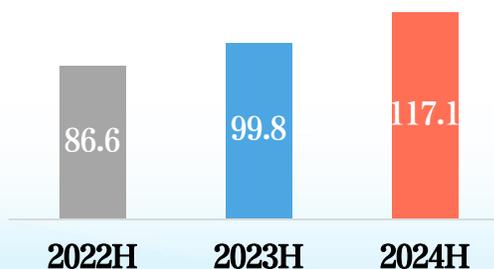
Operational Quality

Operational quality has steadily improved, and the asset structure remained stable

Operating cash ratio continued to be improved



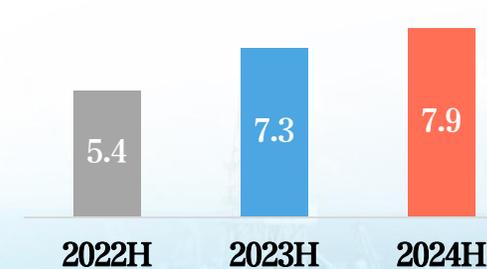
Total labour productivity (annualized) has steadily improved



Asset-liability ratio decreased in stability



R&D investment continued to increase



Unit: RMB 100 million

Review of the Five Development Strategies



Technology-driven

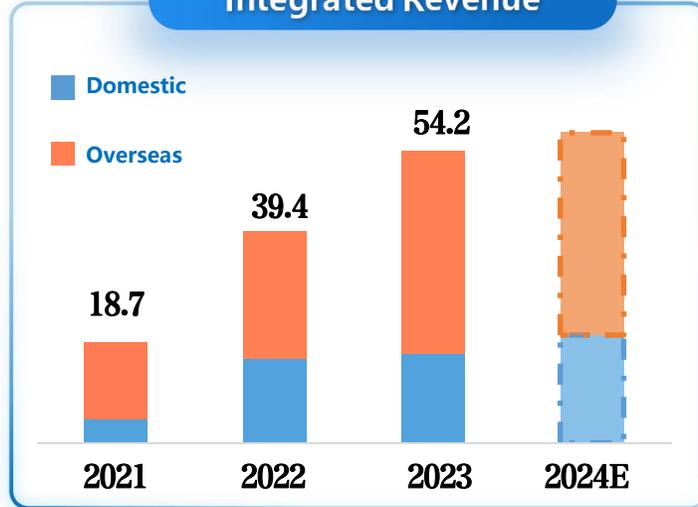
Cost leadership

Integration

Internationalization

Regional development

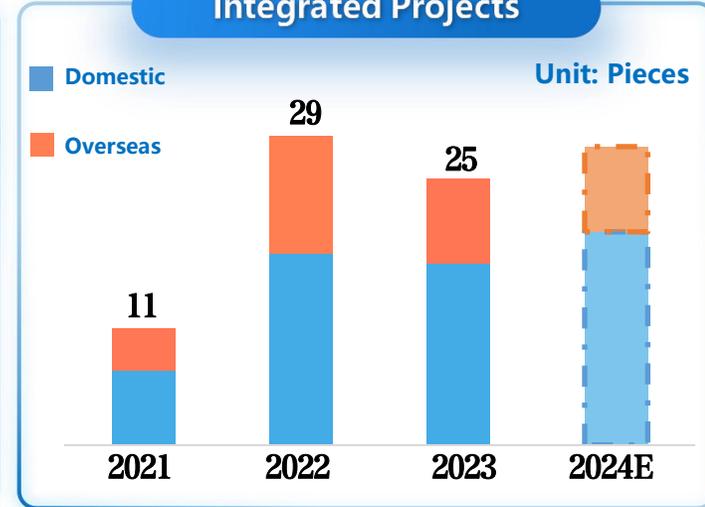
Integrated Revenue



Integrated Profits

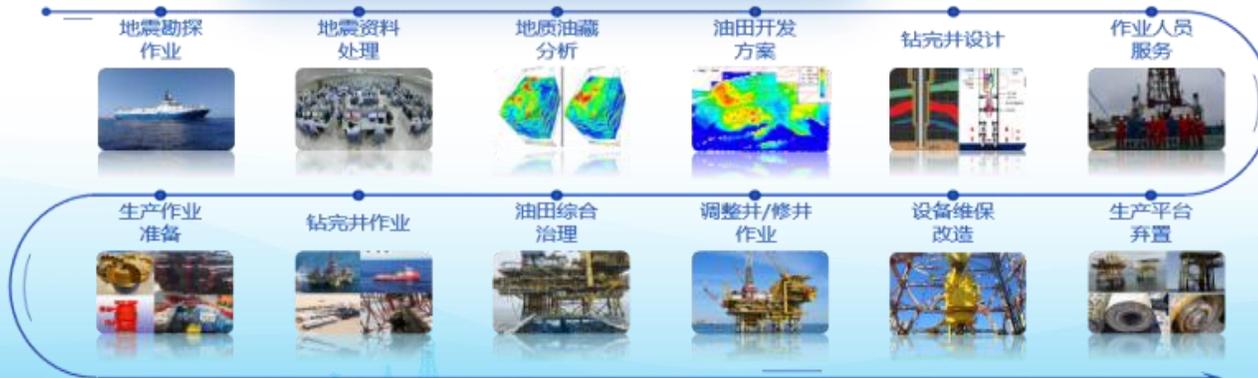


Integrated Projects



Unit: RMB 100 million

Customer Integrated comprehensive solution



Customer Diversification



Review of the Five Development Strategies

Technology
-driven

Cost
leadership

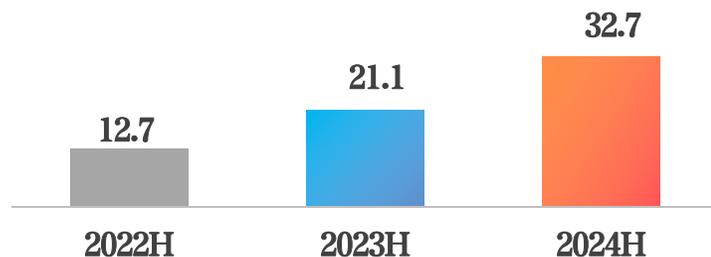
Integration

Internation
alization

Regional
development

Overseas revenue from the equipment segment

The compound annual growth rate over the past three years is 37%



Overseas revenue from the technology sector

The compound annual growth rate over the past three years is 26%



Proportion of overseas revenue in the equipment segment



Proportion of overseas revenue in the technology segment



Unit: RMB 100 million

Review of the Five Development Strategies

Technology
-driven

Cost
leadership

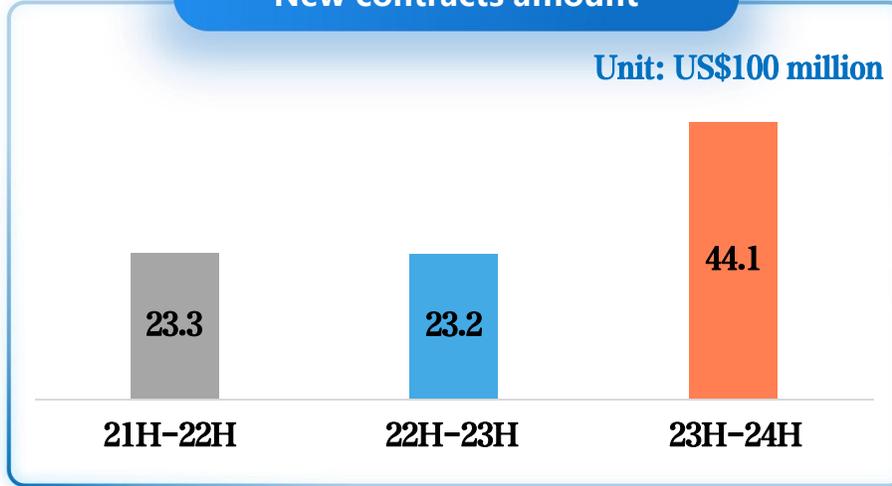
Integration

Internationalization

Regional
development

New contracts amount

Unit: US\$100 million



New clients/ potential markets

Middle-East

Drilling fluid service, cementing service, integrated service

South America

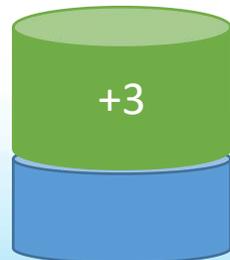
Drilling service

North America

Onshore and Offshore integrated technology, Drilling fluid and Cementing, Onshore and Offshore directional drilling, Well completion tools,

Oilfield service type

Diversification of overseas operations and Service capability improvement



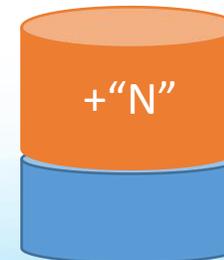
- Integrated Service Markets: 3 countries in Africa and the Americas region

Integrated expansion into international markets



- Drilling, Geophysical vessels, and Marine support
- 7 countries in the Middle East, South America, Africa, Asia-Pacific, Australia regions

Large-scale equipment accelerates global access



- Self developed-tech iteration and upgrading, Moving towards global markets
- Asia Pacific and Middle East Sales

Technology and products are moving towards scale growth

Review of the Five Development Strategies

Technology
-driven



Cost
leadership



Integration



Internationalization

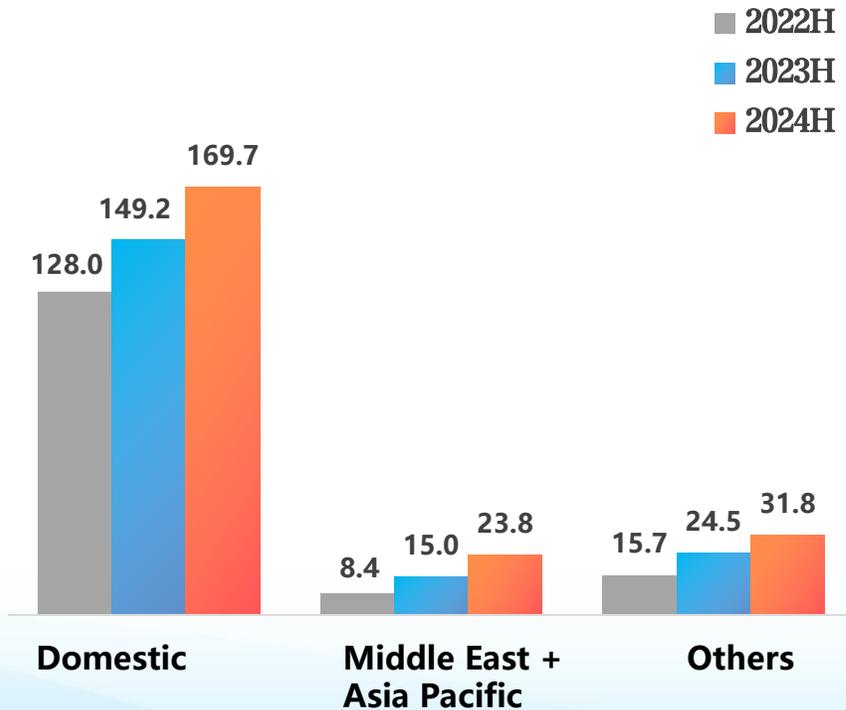


Regional
development

Revenue scale by domestic and international regions

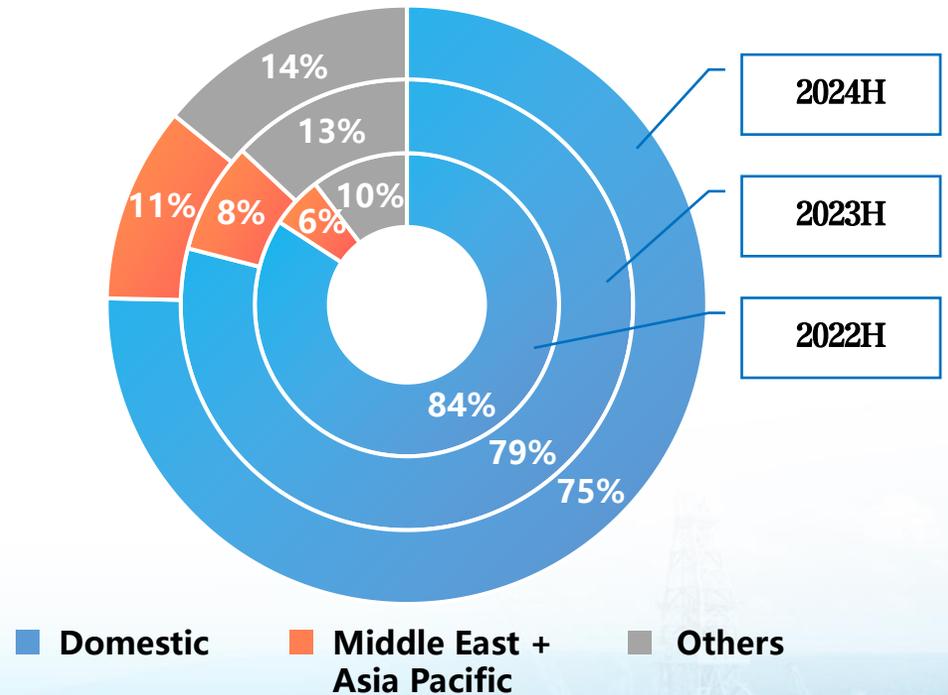
Revenue scale by domestic and international regions has consistently grown

Unit: RMB100 million



Revenue proportion by domestic and international regions

The revenue proportion of various international regions has steadily increased



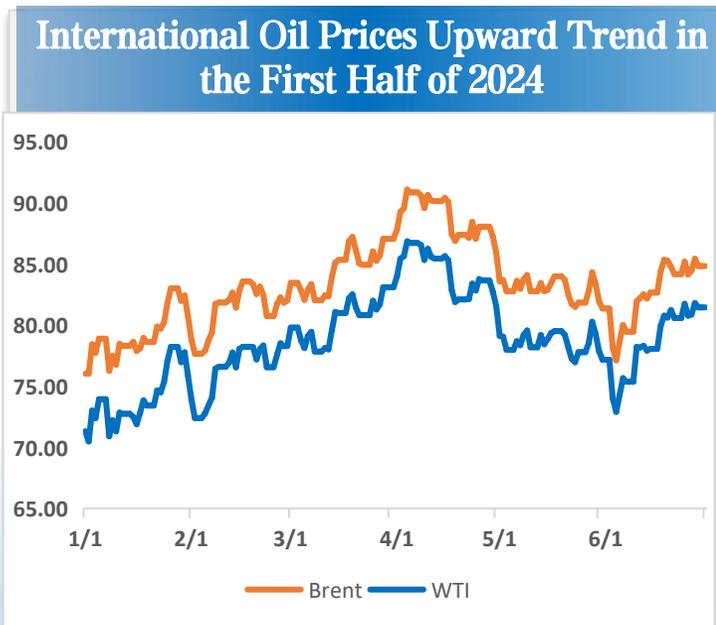
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I. Strategy Implementation Review

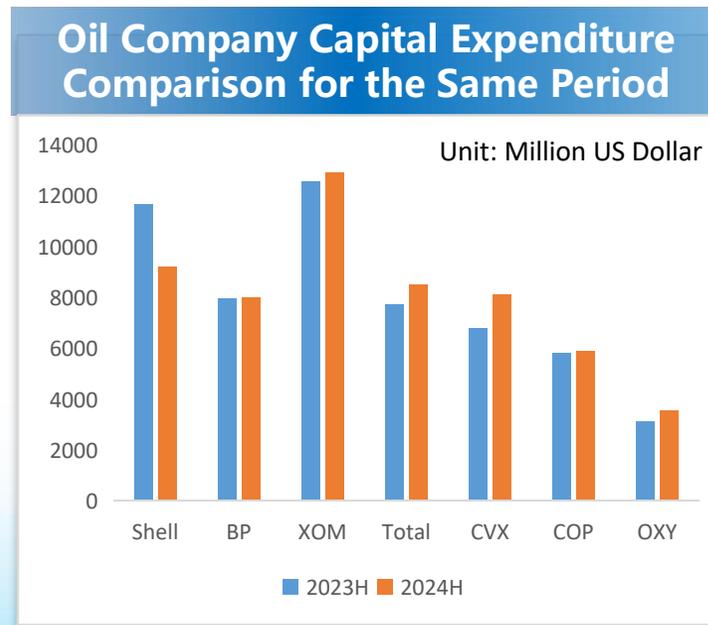
II. Interim Performance Display

III. Future Business Outlook

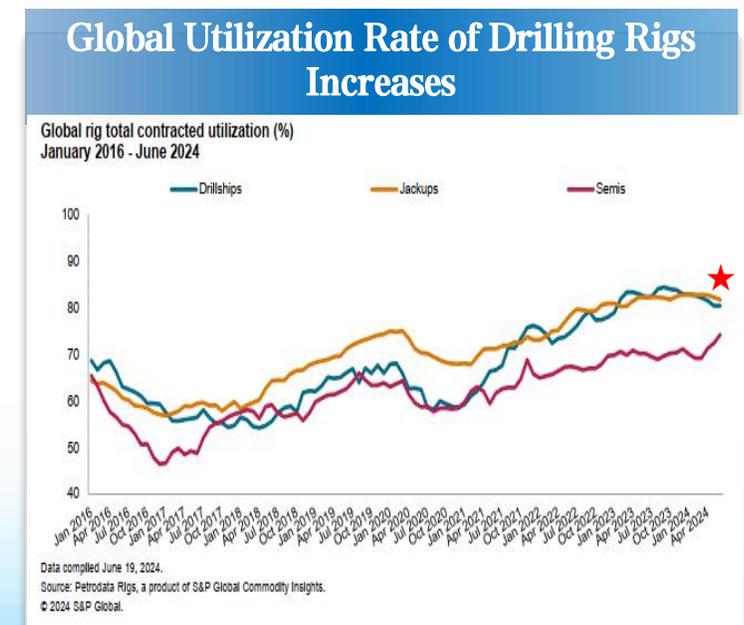
- 2024H1, international oil prices gradually increased amidst volatility, with the average Brent oil price at US\$83.25/barrel and the average WTI crude oil price at US\$78.73/barrel
- Global upstream exploration and development capital expenditures remained high, leading to an upward trend in the oilfield services industry
- The utilization rate of contracted jack-up rigs worldwide was 85.0%, while the utilization rate of semi-submersible rigs continued to rebound to 72.5%



Sources: Bloomberg, as of June 2024



Sources: Bloomberg, as of August 2024



Sources: IHS Markit, as of June 2024

Interim Business Results

The company's operating performance steadily increased in 2024H1

Operating Revenue

RMB22.53 billion

↑ 19.3%yoy

Profit from Operations

RMB2.69 billion

↑ 36.6%yoy

Total Profit

RMB2.41 billion

↑ 29.5%yoy

EBITDA

RMB5.89 billion

↑ 17.9%yoy

Net Profit

RMB1.71 billion

↑ 17.1%yoy

Net profit to shareholders

RMB1.59 billion

↑ 18.8%yoy

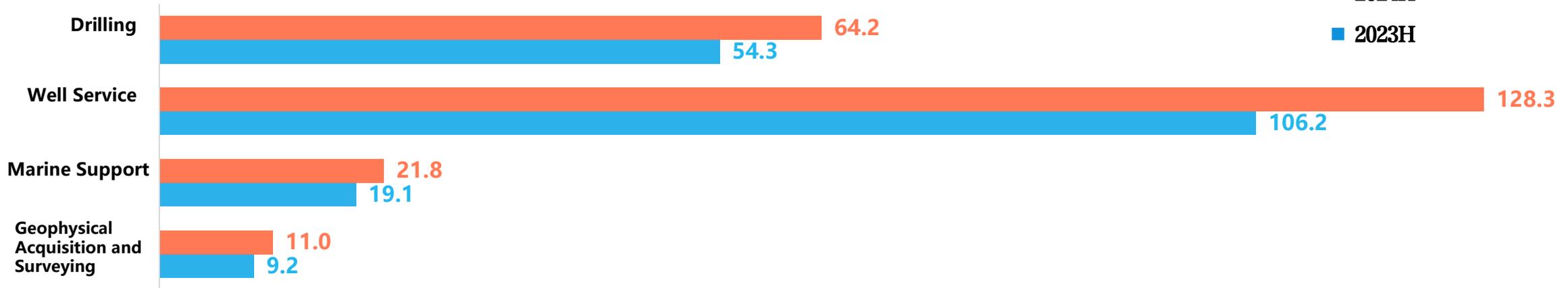
Business Performance in Segments

All business segments showed growth in revenue scale and operating profit

Operating income by segments

Unit: RMB100 million

2024H
2023H



Incremental operating profit of segments and percentage of contribution

Drilling

+RMB73 million yoy
growth rate +24.3%

Well Service

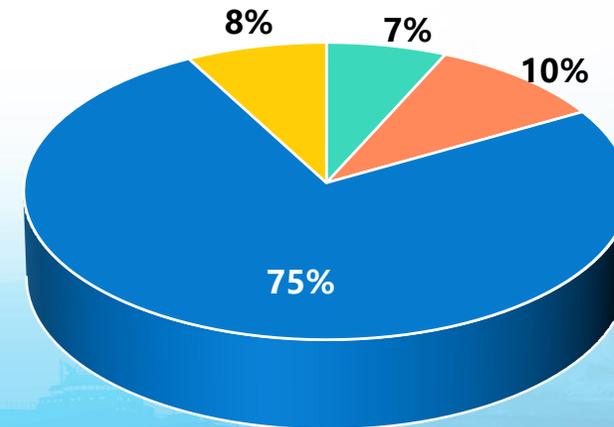
+RMB539 million yoy
growth rate +31.6%

Marine Support

+RMB55 million yoy
growth rate +119.6%

Geophysical Acquisition and Surveying

+RMB53 million yoy
growth rate +66.3%

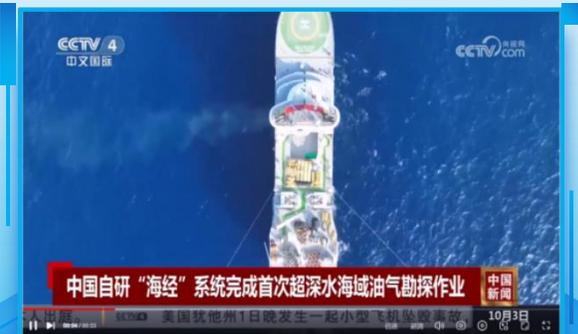


Scientific and Technological Innovation Achievements

Scientific and technological innovation has achieved leapfrog development, and various technologies have been commercialized

Exploration

- “Haijing” Seismic Acquisition Equipment Debuts in Indonesia and “Haimai” submarine cable installation and production
- Breakthrough in high-resolution seismic technology for the first ultra deep water and ultra shallow gas field
- Build the world's first three-in-one logging technology of downhole pressure measurement, sampling and sidewall coring



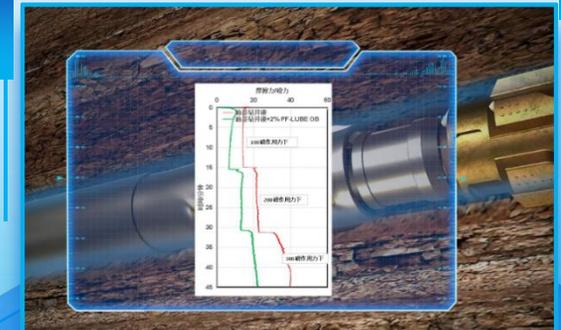
Drilling and Completion

- High definition drilling edge technology successfully commercialized for the first time in Bohai Bay
- High-performance drilling fluid and cement slurry system break the record for the maximum horizontal displacement of a 10000 meter deep well
- “Haihong” series completion technology intelligent production line digital transformation shows significant results



Development and Exploitation

- Tackling the key technology of downhole thermal generation and large-scale application of hot water flooding composite synergistic technology
- Fracturing of medium and shallow coal seams has been applied, and the effect of increasing production is remarkable
- Evaluation of CCUS Storage Project of the First Depleted Oil and Gas Reservoir in East China Sea Completed



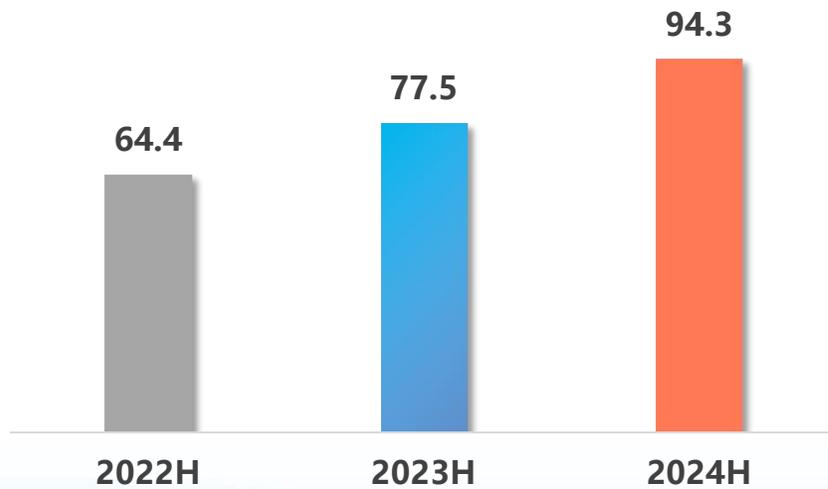
Remarkable Cost Control

Boosting operational efficiency with lean cost management

Marginal Contribution

Marginal contribution steadily increases

Unit: RMB 100 million



Cash Conversion Cycle

Cash conversion cycle improved significantly

Unit: day



Short-Term Debt YoY

Short-term debt decreased significantly year-on-year

Unit: RMB 100 million



Continue to Implement the Integrated Strategy

Continuously deepening market demand to drive integrated scaled growth

Domestic integration: Diversified models consolidated, Asset value-added effect highlighted

- 🌐 The integration of exploration and development helps oilfield stabilize and exceed production
- 🌐 Disposal integration extends the business chain and improves the whole life cycle solution for oilfields
- 🌐 Workover integration focuses on oilfield tapping and optimizes comprehensive management solutions for low production and low permeability reservoir

Overseas integration: Focusing on expansion and efficiency, accelerating the market layout

- 🌐 **Asia Pacific:** Focus on customer technology needs and build disposal industry chain
- 🌐 **Middle East:** Deep plowing the land stock market, expanding the regional external market
- 🌐 **Americas:** Self-developed tools achieve new breakthroughs with integrated services
- 🌐 **Africa:** Promote the localization of integrated business in Uganda



Overseas Market Breakthroughs

Adhering to the guidance of internationalization strategy, Technical strength has been further recognized by overseas customers



Asia Pacific

- Successfully won the contract for Jack-up rigs
- Indonesia region signs large contract for drilling and completion fluids and technical equipment
- Successfully won the bid for directional drilling in Indonesia;
- Three geophysical vessels conducted operation during this period
- Australia adds vessel operations, Indonesia extends annual barge agreement



Middle East

- Drilling fluid service successfully obtained grid entering service qualifications in Saudi Arabia and Kuwait; Cementing service entered the grid in Kuwait
- Self-developed oilfield chemicals enter the Saudi customer procurement catalog list
- The technical product Muil has gained new clients in Saudi Arabia, with orders exceeding ten million rmb
- The drilling and completion integrated project in Iraq has been granted a new contract



America



Africa



Europe

- ⚙ Geographical surveying and drilling services have each made their debut in North America and Latin America
- ⚙ The Drilling and completion integrated project for oil sands in North America. Onshore technical service integrated project are continuing to be implemented smoothly

- ⚙ Won the bid for the 2D geophysical data reprocessing project in Uganda, marking the first entry of geophysical services into Uganda
- ⚙ The full range of logging technologies has been comprehensively applied in high-end client projects

- ⚙ Four platforms have successively commenced long-term, high-value operation contracts
- ⚙ The “Promoter” Semi-sub rigs successfully locked the second half of 2024 operation

Regional Development Achievements

Business areas continue to expand, technology and equipment working together to achieve regional scaled development

- Asia Pacific region, the layout of equipment, technology, and the integrated entire business chain has been set up
- American region, the first geophysical exploration business has been completed, marking a new growth pole for overseas operations
- Middle East region, resource allocation has been optimized, forming a dual-cycle model of 'service + sales'
- African region, management of the Total project has been enhanced, with technology and product services advancing to mid-to-high-end levels
- European region, all platforms have secured long-term, high-value contracts

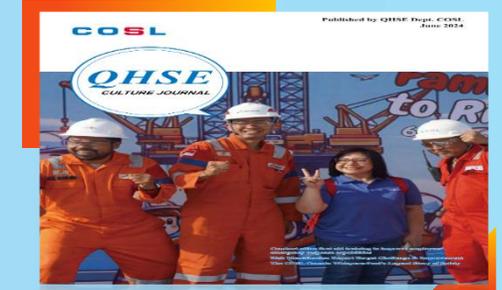


America	◆ Business	Drilling, Well Service, Integration, Geophysical
Europe	◆ Business	Drilling
Africa	◆ Business	Drilling, Well Service, Integration, Marines
Middle East	◆ Business	Drilling, Well Service, Integration
Asia Pacific	◆ Business	Drilling, Well Service, Integration, Marines and Sales

Fulfill Social Responsibilities



Actively fulfill social responsibilities and adhere to safety production management mechanisms



Build a solid defense line for maritime safety and actively participate in marine salvage

Maritime rescues and salvages in the first half of the year 6 times	Rescue of vessels in maritimes distress 5 vessels	Rescue of individuals in maritime distress 3 people
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Effectively ensure that OSHA targets remain consistently at a low level

Recordable incident rate of OSHA targets 0.35	Recordable incident rate performance of OSHA for the first half of the year 0.039
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Honors in Capital Markets

2024H

- The Company won the “Tianma Award for Investor Relations of Chinese Listed Companies” in the 15th “Tianma Award for Investor Relations of Chinese Listed Companies”
- The Company was shortlisted for “Top 100 ESG Listed Companies in China(2024)” in the “China ESG (Corporate Social Responsibility) Launch” and Ceremony
- The Company won the “2024 ESG Special Momentum Award” in the “3rd International Green Zero-Carbon Festival and ESG Summit – 2023”
- The Company won the “Hainuo Award-2024 ESG Practice Model” at the BIDC 2024 (5th) Brand Innovation and Development Conference
- The Company has been selected as one of the ESGTOP10 in the energy sector by the Huazheng ESG Index 2024



- The Company won the 19th “Gold Round Table Award” for Boards of Chinese Listed Companies and ” Outstanding Contribution in Corporate Governance Award” by Directors & Boards magazine
- The Company’s management team was awarded “Best Corporate Leader” at the 2024 China Financial Market
- The Company’s management team received the “2024 Outstanding Influence Entrepreneur Award” at the 2024 13th CFS China Finance Summit
- The Company won the “China Business Top 100 Listed Companies Awards” at the 23rd China Business Top 100 Listed Companies Summit
- The Company won for its work on the Shanghai the highest “A” category tock Exchange in 2022 – 2023



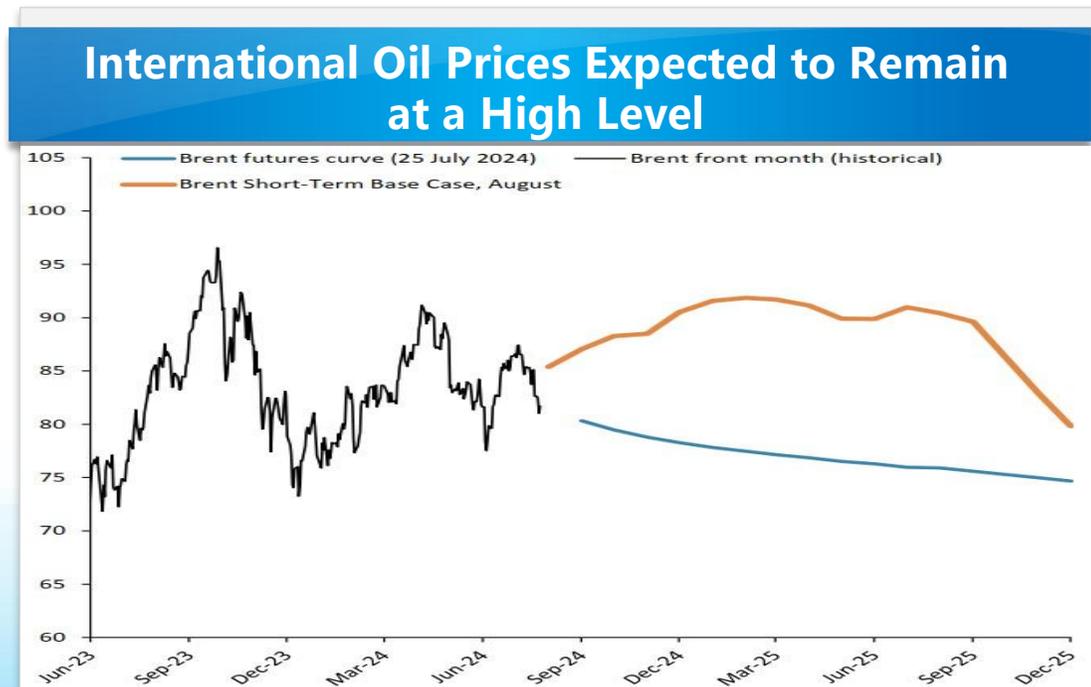
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I. Strategy Implementation Review

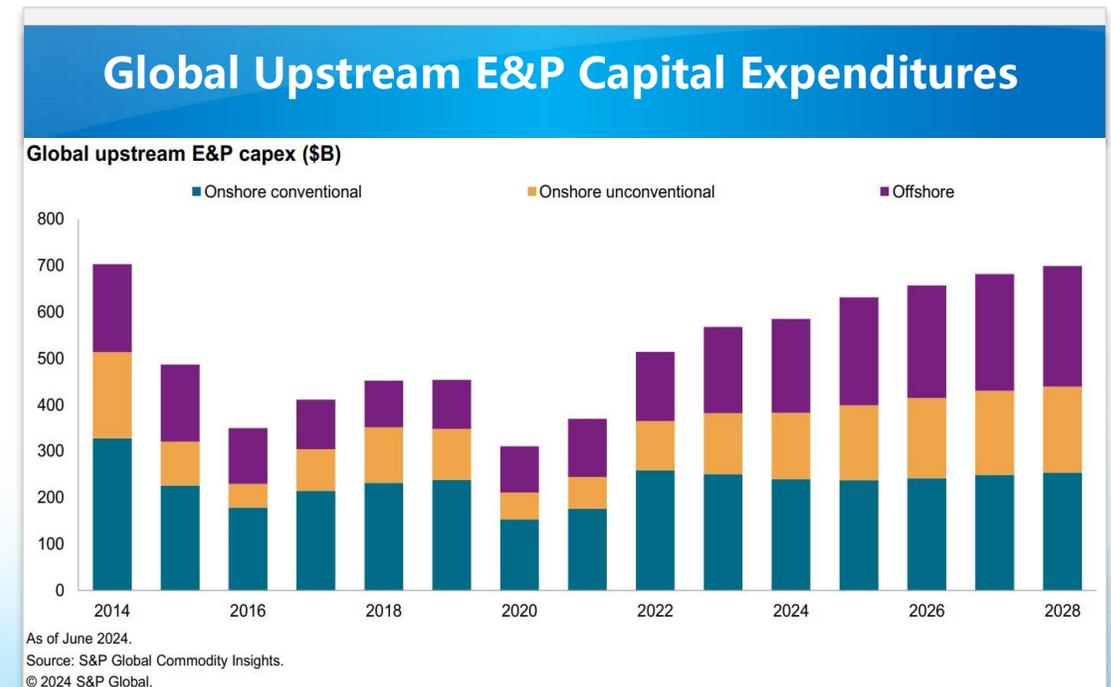
II. Interim Performance Display

III. Future Business Outlook

- According to third-party organizations, global crude oil supply is expected to be tight in the second half of the year, with Brent crude oil prices at \$80–90 per barrel in the second half of the year and in 2025
- In 2025 and the coming years, global upstream CAPEX expenditures will continue to rise, with the increase mainly coming from unconventional exploration in offshore and onshore areas



Sources: Rystad Energy, as of August 2024



Sources: IHS Markit, as of July 2024

An international first-class energy service company with Chinese characteristics

Technology-driven

Cost leadership

Integration

Internationalization

Regional Development

Domestic + Overseas

- ◆ Ensure a robust increase in production growth and reserve accumulation, while enhancing the digitization capabilities for resource allocation
- ◆ Enhance international business capabilities and quality, and proactively plan for growth in overseas market opportunities



Equipment + Technology

- ◆ Focus on main duties, and align the iteration pace of equipment and technology with the oil and gas resource supply situation
- ◆ Set clear objectives, develop a technology system based on application scenarios, and evolve towards specialized and precise iteration

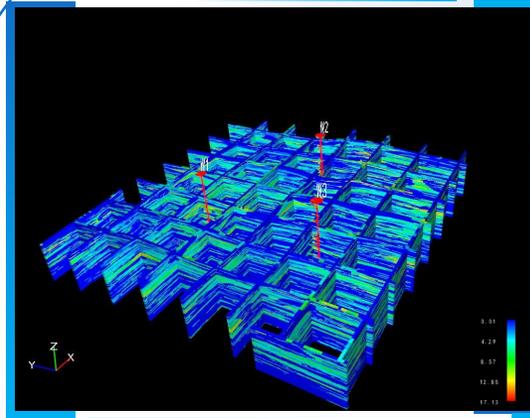
Constant Practice of Technology-driven

- Accelerate the transformation and application of self-developed high-end technologies, and create industry-leading characteristic technologies and excellent products

Promote self-developed technology to accelerate entering into to the market as a new growth point

Rely on independent high-end technology, steadily develop overseas markets and increase market share

- ◆ Self-development of "Haijing" streamer seismic exploration enter the domestic deepwater market
- ◆ High-end logging technologies such as electric imaging and nuclear magnetic resonance have been widely applied in domestic land unconventional oilfield blocks
- ◆ "Haimai" enhanced seismic node equipment and ultra-high temperature plugging technology have been applied on a large scale in domestic offshore



- ◆ Cloud computing platform + high-definition multi-boundary detection technology involved in drilling services in the Asia Pacific region
- ◆ Ultra-high temperature and high pressure water-based drilling and completion fluid technology to open up markets in Southeast Asia and North America
- ◆ Delayed Gel Breaker Technology Enhances Market Breakthroughs in the Middle East and Africa

Technology Market Expansion

The main technology business line grasps the rising trend of the industry and expands domestic and overseas markets with full force

Geophysical Acquisition and Surveying Services



- Best overseas revenue of geophysical acquisition YOY
- Acquisition business expanding into seas along West Africa, Asia Pacific, South America etc., entering the Peruvian market for the first time
- A significant breakthrough in North American market for the surveying services, while closely monitoring market for geophysical acquisition in Africa and Middle East.

Well Logging and Directional Drilling



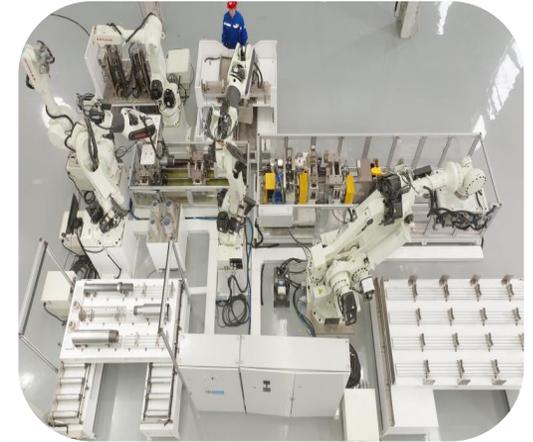
- Accelerated technical pre-qualification for Middle East
- Customised instruments for customers to broaden the scale of sales market of own brands
- Instrument sales in Asia-Pacific and Africa regions with high quality service
- Strengthened the promotion of self-technology and products in South America

Drilling & Completion Fluids and Cementing



- Successfully obtained the Middle East customer service qualification
- Gradually establish the Asia Pacific support centre to radiate the surrounding markets and strive for geothermal wells market
- Independent service capacity for cementing in North America
- Promote oilfield chemical services in the South America market

Completion and Stimulation



- “Haihong” Well Completion tools industry comprehensively towards intelligence
- Promote cooperation in heavy oil development in the Middle East
- Expand the fracturing and continuous tubing business in Asia Pacific, and achieve a breakthrough in chemical sand control technology
- Chemical sand control for well completion in Uganda, and focus on demand for stimulation in Africa market

Consolidate Cost Leadership

- Promote “structural, systematic and long-term” cost reduction to deepen and expand, and realize overall improvement of quality and efficiency in operation management

Operating cost structure

Marginal contribution

Targeted and precise control to help increase marginal contribution in a sustainable manner

Unit: RMB 100 million



Financial leverage levels

Gearing ratio

Optimise debt structure, reduce financial leverage and enhance debt servicing capacity



Profitability

ROE

Enhanced return on investment to drive steady improvement in profitability



Expanding the effectiveness of integration services

Strengthening the integration of resources across the industry chain to help maximize the benefits of oilfield exploration and development

Full life-cycle services

Multiple field type services

Geological Engineering

Development Engineering

Drilling and Completion

Comprehensive Management

Disposal Integration

-Oilfield Exploration

- Oilfield Development

- Heavy oil thermal Recovery

-Low yield and low efficiency

-Oil field abandonment

Domestic: Consolidating the achievements of the integrated model and targeting customer asset appreciation

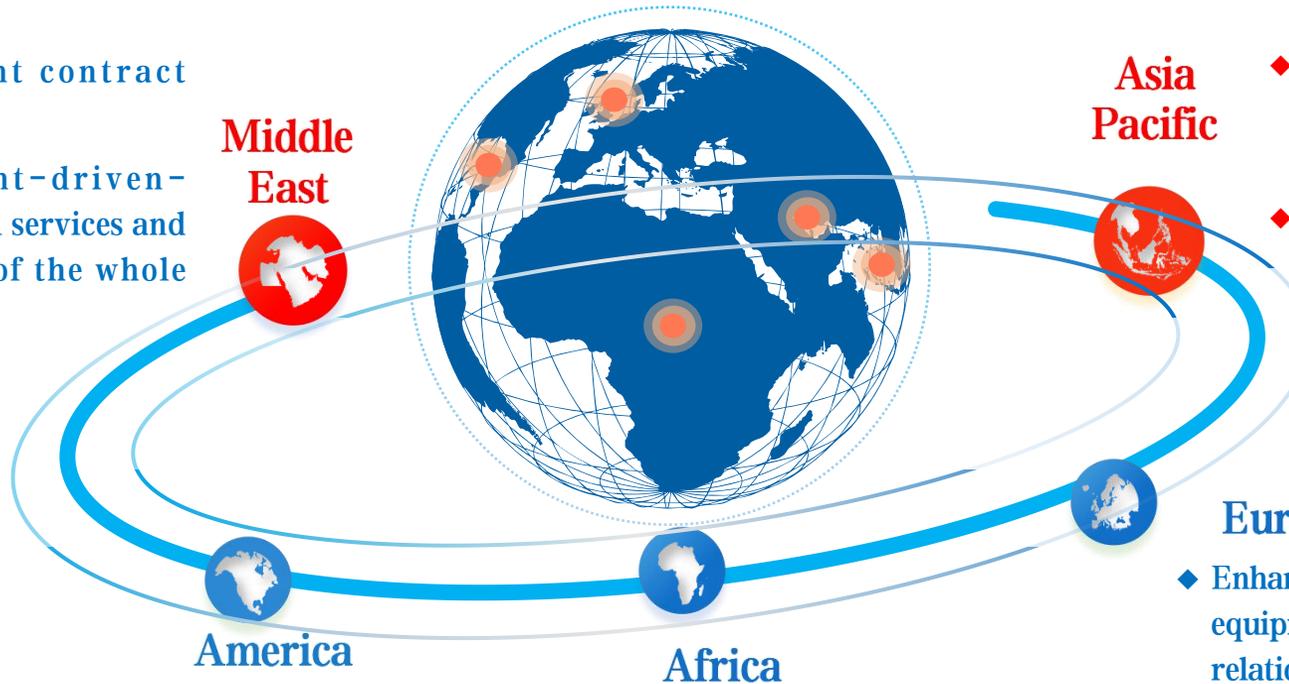
- ◆ Development engineering helps offshore difficult-to-producing reserves
- ◆ Integrated comprehensive management continuously unleashes the potential of oilfield development
- ◆ Accelerate offshore disposal integration and improve the integrated business full industry chain

Overseas: Focusing on the strategic layout to help diversify the international business

- ◆ **Middle East:** Integrated business in Iraq, and lay out opportunities in Kuwait and Saudi Arabia
- ◆ **Asia Pacific:** Take “Indonesia+Malaysia+Thailand” as the center to radiate other countries , and promote the scale development of integrated comprehensive Management
- ◆ **America:** stabilize the North American oil sands and technical service integration market, and promote the expansion of the whole industry advantageous business chain
- ◆ **Africa:** Focus on the diversified development of drilling, completion and well repair business for high-quality customers
- ◆ **Europe:** Based on the advantages of equipment technology, promote the expansion of equipment life cycle integration business

Steady Progress towards Internationalisation

Seize the opportunity to steadily advance the internationalisation process under the pattern of “1+2+N” market



- ◆ Enhance large equipment contract performance capability
- ◆ Accelerate the equipment-driven-technology, promote technical services and sales to realize the layout of the whole industry chain

Middle East

Asia Pacific

- ◆ Enhance efficiency for NOC such as Indonesia , Malaysia and Thailand. Expand into high-end IOC
- ◆ Focus on market dynamics such as geothermal and disposal, promote the upgrading of regional oilfield business

Europe

- ◆ Enhance service quality of large-scale equipment, build stronger customer relationships
- ◆ Focus on the North Sea disposal integration and marine support services

America

Africa

- ◆ Accelerate the coverage of proprietary equipment technology in the Canadian market and promote the diversification of customers
- ◆ Rely on large-scale equipment, the technical business line will be promoted simultaneously to achieve the scale effect of oilfield services

- ◆ Based on Uganda, we will radiate the neighbouring markets and make every effort to follow up the projects in hot countries/regions.
- ◆ Strengthen onshore well integration and technology services, offshore geophysical acquisition services

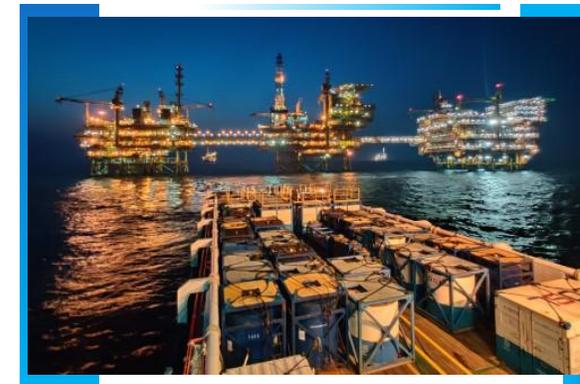
Enhance the Quality and Efficacy of Regional Development

Maximise operational efficiency and drive regional development strategies to new levels of success



Domestic Market

- Match the needs of core customers in depth, ensure domestic marine exploration resources, and enhance the production growth and reserve accumulation service
- Firmly contribute the value of our expertise, promote the implementation of new business cooperation models, and realize the large-scale development of projects
- Promote the quality adjustment of equipment structure, accelerate the development of equipment automation and intelligence, and intensify the advantageous resources of equipment

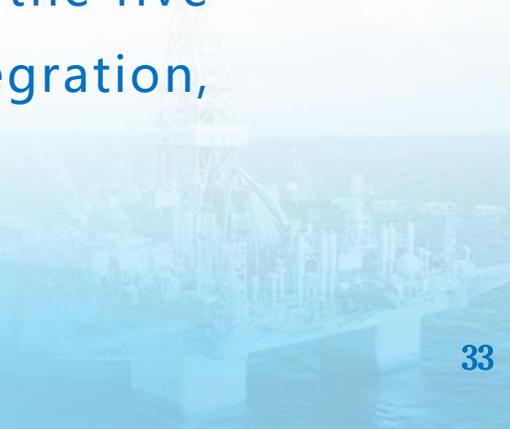
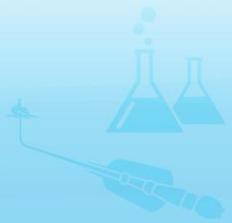


Overseas Market

- Enhance the level of business operation and management, adhere to the internationalization mindset in business operation, and manage the full lifecycle of overseas projects effectively
- Continuously unleashing the ability of technology to create value, and realise the coordination and integration of global resources for products and technology
- Improve regional supply chain management, enhance the ability to expand and control the global industrial chain, and focus on improving the scale of profitability



COSL will focus on enhancing its competitive sensitivity in the market, giving full play to the strategic value of its technology-driven business and the unique advantages of its whole industrial chain, and endeavouring to achieve a virtuous cycle in its operation. The Company has always adhered to the corporate spirit of “Always Do Better” and is striving towards the goal of being a world-class energy services provider with Chinese characteristics and for a win-win benefit with its customers, employees, business partners and shareholders in the high-quality development of the offshore oil industry under the guidance of the five development strategies of technology-driven, cost leadership, integration, internationalization and regional development.



COSL



我们必须做得更好
ALWAYS DO BETTER