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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)

ANNOUNCEMENT

STRATEGIC GUIDANCE FOR 2020

This announcement is made by China Oilfield Services Limited (the “**Company**”) pursuant to Rules 13.09(2) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Based on the operation conditions of 2020, the board of directors of the Company (the “**Board**”) wishes to announce the strategic guidance of the Company for 2020 as follows:

According to data from third-parties such as IHS Markit, total capital expenditure of global oil and gas exploration and development continues to grow in 2020. At the same time, it is expected that investment in exploration and development in the domestic market of China will continue to increase in the next few years, and there is higher certainty on demand for operation with enhanced reserve and productivity of oil and gas. Under the background of growing demands in both the domestic and overseas markets, and benefiting from the Company's efforts in the innovation of technology, optimization of equipment structure, enhancement in international competitiveness and enhancement in capability for the prevention and control of risks in recent years, the Company will actively participate in the acceleration of the exploration and development of oil and gas and strive to maintain good operating results and further strengthen its development quality in 2020. The Company's equipment and services capabilities will also play an important role in the recovery of domestic and overseas oilfield services industry, especially for enhancing domestic reserve and productivity. According to the current domestic and international orders on hand of the Company, it is expected that, among the four major segments, workload of the drilling services segment and the well services segment will achieve certain growth as compared with the same period last year. Workload of the marine support services segment and geophysical and surveying services segment will generally remain stable as compared with the same period last year.

In 2020, the overall competition in the oilfield services market is still fierce. The Company will focus on cost control, and strive to improve the Company's profitability through systematic cost reduction measures such as strengthening QHSE management, institutional reform, management process optimization, and boosting labor productivity. The cash flow of the Company is overall secure in 2020. The Company will continue to strictly follow the practices of prudent capital investment, speeding up the optimization and upgrade of its operation model with the support of capital expenditure, and adhere to the Company's development idea and transformation of business model to asset-light and technology-heavy. It is estimated that the capital expenditure of the Company in 2020 will be approximately RMB4.8 billion, which will be mainly used for construction of production bases, renovation of the facilities, machinery and equipment. As guided under the new development idea, the Company will speed up the research and development and innovation of green and environmental-friendly low-carbon technology; enhance its core competitiveness through technological and industry upgrade; allocate equipment resources flexibly in various ways such as self-owned assets, leases and management to timely respond to the change in the market; and pay attention to shareholders' return and actively safeguard the interests of investors.

The above strategic guidance is based on the current operations of the Company and current market conditions. This strategic guidance is not a guarantee of the Company's performance in 2020 which is mainly dependent on the market and economic environment.

Shareholders and potential investors are advised to exercise caution when dealing in shares of the Company.

By order of the Board
China Oilfield Services Limited
Wu Yanyan
Company Secretary

13 January 2020

As at the date of this announcement, the executive directors of the Company are Messrs. Qi Meisheng (Chairman) and Cao Shujie; the non-executive directors of the Company are Messrs. Meng Jun and Zhang Wukui; and the independent non-executive directors of the Company are Messrs. Law Hong Ping, Lawrence, Fong Chung, Mark and Wong Kwai Huen, Albert.