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安東油田服務集團

Anton Oilfield Services Group

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3337)

CONTINUING CONNECTED TRANSACTIONS

On 24 April 2013, the Company entered into a master mutual supply and purchase agreement with Schlumberger, pursuant to which the Group has agreed to supply the Products and Services to the Schlumberger Group and Schlumberger has agreed to supply and procure the Associates to supply to the Group the Products and Services for a period of three financial years until 31 December 2015.

Schlumberger is a substantial shareholder of the Company interested in approximately 19.68% of the issued share capital of the Company as at the date of this announcement. Accordingly, the entering into of the Master Agreement between the Company and Schlumberger constitutes continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the aggregate annual amount of the transactions under the Master Agreement is expected to exceed 5% of the applicable ratios, the Master Agreement will be subject to the reporting, announcement and Independent Shareholders' approval requirements under Rule 14A.35 of the Listing Rules.

An Independent Board Committee comprising the independent non-executive Directors has been formed to advise the Independent Shareholders on the terms of the Master Agreement and an independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the Master Agreement and the relevant cap amounts in relation to the transactions under the Master Agreement.

A circular containing, amongst other things, a notice convening the Extraordinary General Meeting and further details relating to the Master Agreement and a letter from an independent financial adviser to be appointed to advise the Independent Board Committee and Independent Shareholders on the Master Agreement will be despatched to the Shareholders on or before 16 May 2013.

THE MASTER AGREEMENT

Date: 24 April 2013

Parties: The Company; and
Schlumberger

Schlumberger's principal business is investment holding. Schlumberger is a subsidiary of Schlumberger Limited, which is a global oilfield services company. Schlumberger is a substantial shareholder of the Company interested in approximately 19.68% of the issued share capital of the Company as at the date of this announcement. Accordingly, Schlumberger is a connected person of the Company for the purpose of the Listing Rules and the entering into of the Master Agreement between the Company and Schlumberger constitutes continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Subject: Pursuant to the Master Agreement, the Group will supply the Products and Services to the Schlumberger Group and Schlumberger will supply and will procure the Affiliates to supply to the Group the Products and Services for a period of three financial years until 31 December 2015.

Price: The basis of determining the prices for the Products and Services to be supplied by the Company or Schlumberger or Affiliates under the Master Agreement will be in accordance with the prevailing market prices of similar products or services.

Annual Caps: The parties have agreed that the annual transaction amount under the Master Agreement will not exceed the following annual caps:

	For the financial year ending		
	31 December	31 December	31 December
	2013	2014	2015
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Supply of Products and Services by the Group to Schlumberger or Affiliates	80,000	100,000	120,000
Supply of Products and Services by Schlumberger or Affiliates to the Group	80,000	100,000	120,000

The cap amounts for the procurement from the Schlumberger Group by the Group are determined with reference to the historical transactional amount and the projected demand for Products and Services as the Group grows its business.

The Company and the Schlumberger Group had business transactions in previous years. The historical transactional amounts between the Group and the Schlumberger Group are as follows:

	Year	
	2011	2012
	<i>US\$'000</i>	<i>US\$'000</i>
Supply of Products and Services by Schlumberger to the Group	693	21,880

Note:

- Schlumberger became a substantial shareholder of the Company in July 2012. Transactions between the Group and Schlumberger in 2012 were attributable to contracts entered between the Group and Schlumberger before Schlumberger became a connected person of the Company.
- The numbers are unaudited.

The Group has not supplied Products or Services to the Schlumberger Group before. The Group and the Schlumberger Group established a joint venture in September 2012 to provide integrated project management services. As the joint venture is owned as to 60% by the Schlumberger Group and as to 40% by the Group, the joint venture is a subsidiary of Schlumberger and an associate of Schlumberger for the purpose of the Listing Rules and the supply of Products and Services by the Group

to the joint venture will become connected transactions for the Group. The cap amounts for the sales to the Schlumberger Group from the Group are determined with reference to the projected demand for the Group's Products and Services from the potential projects to be undertaken by the joint venture.

Payment terms

Payment for the Products and Services supplied by the Group and Schlumberger or Affiliates will be settled on a project basis, provided that the terms of sale offered to the other party will be no more favourable to those offered to independent third party purchasers of such products or services.

Condition Precedent

The Master Agreement is conditional upon approval of the Independent Shareholders of the Company.

If the condition precedent to the Master Agreement is not satisfied by 30 June 2013 or such other date as the parties thereto may otherwise agree in writing, the Master Agreement will be forthwith terminated.

REASONS FOR THE TRANSACTION

The Schlumberger Group is a leading global oilfield services provider. Through purchasing Products and Services from the Schlumberger Group, the Group can introduce the technologies and global experience of the Schlumberger Group to assist customers in China in developing oil and gas resources in a more efficient way. Through selling Products and Services to the Schlumberger Group, the Group can apply its Products and Services more extensively in the China and global markets to help customers reduce their costs in the use of technology.

The Group is a leading independent oilfield services provider in China. Through purchasing Products and Services from the Group, the Schlumberger Group can leverage on the Group's local experience, supply chain network and cost advantages in China to help customers reduce their costs in the use of technology. Through selling Products and Services to the Group, the Schlumberger Group can apply its technologies and global experience more extensively in the China market to assist customers in China in developing oil and gas resources in a more efficient way.

In view of the above advantages and that the transactions will be carried out in the ordinary course of business of each party, the parties consider that it is reasonable and beneficial to enter into the Master Agreement to govern the continuing connected transactions.

Given that the Master Agreement is entered into in the usual and ordinary course of business of the Group and the transactions under the Master Agreement will be conducted on an arm's length basis and on normal commercial terms, the Directors consider that the terms of the Master Agreement are fair and reasonable and the entering into of the Master Agreement is in the interests of the Group and the Shareholders as a whole. The views of the independent non-executive Directors, after considering the advice from the independent financial adviser, will be set out in the circular.

LISTING RULES IMPLICATIONS

Schlumberger is a substantial shareholder of the Company interested in approximately 19.68% of the issued share capital of the Company as at the date of this announcement. Accordingly, Schlumberger is a connected person of the Company for the purpose of the Listing Rules and the entering into of the Master Agreement between the Company and Schlumberger constitutes continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the aggregate annual amount of the transactions under the Master Agreement is expected to exceed 5% of the applicable ratios, the Master Agreement will be subject to the reporting, announcement and Independent Shareholders' approval requirements under Rule 14A.35 of the Listing Rules.

An Independent Board Committee comprising the independent non-executive Directors has been formed to advise the Independent Shareholders on the terms of the Master Agreement and an independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the Master Agreements and the relevant cap amounts in relation to the transactions under the Master Agreement.

A circular containing, amongst other things, a notice convening the Extraordinary General Meeting and further details relating to the Master Agreement and a letter from an independent financial adviser to be appointed to advise the Independent Board Committee and Independent Shareholders on the Master Agreement will be despatched to the Shareholders on or before 16 May 2013.

At the Board meeting held to approve the Master Agreement, Mr. Jean Francois Poupeau is considered to be interested in the transactions contemplated under the Master Agreement and has abstained from voting for the resolution proposed to approve the Master Agreement.

GENERAL

The Group is principally engaged in the provision of one-stop oilfield services and products covering the drilling, well completion and production stages of the development process.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context otherwise requires:

“Affiliates”	all companies from time to time directly or indirectly owned or controlled by Schlumberger Limited, where “control” means the holding of 30% or more of the shares, stock or voting rights of such company;
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors;
“Company”	Anton Oilfield Services Group, a company incorporated in the Cayman Islands, the shares of which are listed on the main board of the Stock Exchange;
“connected person”	has the same meaning as given to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Extraordinary General Meeting”	an extraordinary general meeting of the Company to be convened to approve the Master Agreement;
“Group”	the Company and its subsidiaries;
“Independent Board Committee”	an independent committee of the Board comprising the independent non-executive Directors;
“Independent Shareholders”	shareholders of the Company other than Schlumberger and its associates;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Master Agreement”	the master mutual supply and purchase agreement dated 24 April 2013 between the Company and Schlumberger;
“PRC”	the People’s Republic of China;

“Products”	relevant products required for the provision of oilfield services;
“Schlumberger”	Schlumberger Far East Inc., a company established in the British Virgin Islands, a substantial shareholder interested in approximately 19.68% of the issued share capital of the Company;
“Schlumberger Group”	Schlumberger and the Associates;
“Services”	relevant labour and technical services required for the provision of oilfield services;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder”	has the same meaning ascribed to it under the Listing Rules; and
“%”	per cent.

By order of the Board
Anton Oilfield Services Group
LUO Lin
Chairman

24 April 2013

As at the date of this announcement, Mr LUO Lin, Mr WU Di and Mr LIU Enlong are the executive directors of the Company; Mr. Jean Francois Poupeau is a non-executive director of the Company, and Mr ZHANG Yongyi, Mr ZHU Xiaoping and Mr WANG Mingcai are the independent non-executive directors of the Company.