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## **Sinopec Oilfield Service Corporation**

*(a joint stock limited company established in the People's Republic of China)*

**(Stock code: 1033)**

### **PROGRESS UPDATE ANNOUNCEMENT ON DISCLOSEABLE TRANSACTION**

Reference is made to the announcement dated 25 April 2019 by Sinopec Oilfield Service Corporation (the "Company") in relation to acquisition of the 45% equity interest of SinoFTS (the "**Announcement**"). The capitalized terms used herein shall have the same meaning as defined in the Announcement.

The Board is pleased to announce that on 10 May 2019, the Buyer and the Seller entered into the Buyout Agreement. Thus the Buyout Agreement became effective on 10 May 2019. Please refer to the Announcement for details of the principal terms of the Buyout Agreement.

The purchase price of the Sale Share is US\$26,902,400 (tax excluded). Any applicable taxes in the PRC with respect to the Acquisition which is estimated to be no more than US\$215,200 will be borne, and promptly paid by the Buyer. If, due to any reason not attributable to the Seller, the Closing is deferred to a date after 20 August 2019, the Purchase Price shall be increased by US\$500,000 upon the elapse of each and every period of thirty (30) calendar days after 20 August 2019 until the Closing occurs. For the avoidance of doubt, if the Closing occurs before the expiry of such thirty (30)-calendar day period, there shall be no increase of the additional US\$500,000 for such period. Pursuant to the Buyout Agreement, the maximum Purchase Price (tax excluded) to be paid by the Buyer may amount to US\$28,402,400 as the Closing must happen on or before the Longstop Date.

Prior to the Closing, SinoFTS is an associate of the Company and its financial results are

not consolidated into the accounts of the Group. Upon the Closing, SinoFTS will become an indirectly wholly-owned subsidiary of the Company and accordingly its financial results will be consolidated into the accounts of the Group.

For and on behalf of the Board of Directors

**Li Honghai**

Company Secretary

Beijing, PRC, 10 May 2019

*As at the date of this announcement, the Board of Directors comprises Mr. Liu Zhongyun+, Mr. Sun Qingde#, Mr. Chen Xikun#, Mr. Lu Baoping+, Mr. Fan Zhonghai+, Mr. Wei Ran+, Ms. Jiang Bo\*, Mr. Pan Ying\*, Mr. Chen Weidong\* and Mr. Dong Xiucheng\*.*

+ *Non-Executive Director*

# *Executive Director*

\* *Independent Non-Executive Director*