

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Sinopec Oilfield Service Corporation

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

(Stock code: 1033)

Announcement on a wholly-owned subsidiary involving arbitration

This announcement is made pursuant to Part XIVA of the Securities and Futures Ordinance and Rules 13.09(2)(a) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

IMPORTANT NOTES:

- Stage of the arbitration case: The case has been accepted by the China International Economic and Trade Arbitration Commission and hearing of the case has not yet proceeded
- Status of the wholly-owned subsidiary of the Company in the case: The respondent
- Amount involved in the case: RMB 641,337,528
- Will there be negative impact on the profit or loss of the Company: As the hearing of the case has not yet proceeded, it is currently impossible to estimate the impact amount of the case on the current or future profit of the Company.

I. Basic Information, Facts and Requests in the Arbitration

Sinopec Oilfield Services Corporation (the "**Company**") has recently received the "Notice of Arbitration for the Dispute Case of Project Contract No. P20180585 ([2018]

China Trade Zhongjing Zi No. 048223)” and the “Application for Arbitration” forwarded by Sinopec International Petroleum Services Corporation (中國石化集團國際石油工程有限公司), a wholly-owned subsidiary of the Company (the “**International Services Corporation**” or the “**Respondent**”).

As shown in the aforesaid arbitration document, China National Chemical Engineering No. 11 Construction Co., Ltd. (中國化學工程第十一建設有限公司) (the “**Applicant**”) entered into the “Works Contract for the Package C Construction of the Saudi Yanbu – Medina Phase III Pipeline Project (《沙特延布 – 麥迪那第三期管線項目C包施工工程合同》)” (the “**Construction Works Contract**”) with International Services Corporation on 16 August 2012. Pursuant to the Construction Works Contract, International Services Corporation subcontracted to the Applicant the construction of the “Package C Project” of the “Saudi Yanbu – Medina Phase III Pipeline Project”. On 29 May 2018, the Applicant submitted to the China International Economic and Trade Arbitration Commission in Beijing the “Application for Arbitration” in respect of the contract dispute between the Applicant and the Respondent during the performance of the Construction Works Contract, requesting the Respondent to pay RMB456,810,240 for the project fee and the accrued interest, RMB145,968,410.5 for the loss due to stoppage of work and the accrued interest, RMB38,018,100 for the advance payment under the letter of guarantee and the accrued interest, and RMB500,000 for attorney fee and the arbitration fee for the case (the “**Arbitration**”).

The China International Economic and Trade Arbitration Commission accepted the case on 15 June 2018 and issued the “Notice of Arbitration for the Dispute Case of Project Contract No. P20180585 ([2018] China Trade Zhongjing Zi No. 048223)”.

II. Impact of the Arbitration on the Current or Future Profits of the Company

As the hearing of the case has not yet proceeded, it is currently impossible to determine its impact on the current or future profits of the Company. The Company will make active response and safeguard the legitimate rights and interests of the Company. Meanwhile, the Company will perform its obligation in disclosure of information regarding the progress of the Arbitration in this announcement according to the relevant requirement. Investors are advised to be cautious about investment risks.

By Order of the Board

Li Honghai

Secretary to the Board

Beijing, PRC, 25 June 2018

As at the date of this announcement, the Board of Directors comprises Mr. Sun Qingde#, Mr. Chen Xikun#, Mr. Ye Guohua+, 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*