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Sinopec Oilfield Service Corporation

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

(Stock code: 1033)

Announcement on the Restructuring of Four Regional Companies: Sinopec Henan, Sinopec North China, Sinopec Jiangsu and Sinopec East China

On 30 March 2016, the Company held the 9th meeting of the 8th session of Board of Directors in which the "Proposal for Restructuring of Four Regional Companies: Sinopec Henan, Sinopec North China, Sinopec Jiangsu and Sinopec East China" was considered and approved. Relevant details are as follows:

1. Restructuring Plan

SOSC, a subsidiary of the Company, intends to inject its 100% equity interests in Sinopec Henan (after appraisal) as capital contribution into Sinopec North China; and at the same time intends to inject its 100% equity interests as capital contribution in Sinopec Jiangsu (after evaluation) into Sinopec East China. The shareholders of Sinopec Henan and Sinopec Jiangsu will change from SOSC to Sinopec North China and Sinopec East China respectively. On this basis, Sinopec North China and Sinopec East China will carry out corresponding business integration, and subsequently will cancel Sinopec Henan and Sinopec Jiangsu when appropriate through Sinopec North China's merger with and absorption of Sinopec Henan and Sinopec East China's merger with and absorption of Sinopec Jiangsu.

2. Information of Companies Involved in the Restructuring

Sinopec Henan, Sinopec North China, Sinopec Jiangsu and Sinopec East China are regional companies under the Company engaged in petroleum engineering and technical services, with 100% of their equity interests held by SOSC, a wholly-owned

subsidiary of the Company. As of the date of disclosure of this announcement, the information of Sinopec Henan, Sinopec North China, Sinopec Jiangsu and Sinopec East China is as follows:

1. Sinopec Henan's registered capital: RMB0.25 billion. Registered address: No. 21, Zhengguang North Street, Zhengdong New District, Zhengzhou City, Henan Province (河南省鄭州市鄭東新區正光北街21號). Net asset as at 31 December 2015: RMB686.30 million.

2. Sinopec North China's registered capital: RMB0.20 billion. Registered address: 4th floor, No.199, Longhai Xilu, Zhongyuan District, Zhengzhou City, Henan Province (河南鄭州中原區隴海西路199號4層). Net asset as at 31 December 2015: RMB2,209.004 million.

3. Sinopec Jiangsu's registered capital: RMB0.25 billion. Registered address: No.1, Wenhui Road (N), Yangzhou Economic Development Zone, Jiangsu Province (江蘇省揚州市開發區文匯西路1號). Net asset as at 31 December 2015: RMB644.297 million.

4. Sinopec North China's registered capital: RMB0.20 billion. Registered address: No.315, Jiangdong Middle Road, Jianye District, Nanjing City, Jiangsu Province (江蘇省南京市建鄴區江東中路315號). Net asset as at 31 December 2015: RMB670.499 million.

For the restructuring, United Assets Appraisal Co., Ltd. has been engaged to evaluate the 100% equity interests of each of Sinopec Henan and Sinopec Jiangsu as of 31 December 2015 (the evaluation date). In accordance with the asset appraisal report on Sinopec Henan and Sinopec Jiangsu issued by United Assets Appraisal Co., Ltd., the relevant valuation results are as follows:

Unit: RMB10,000

	Book value of shareholders' total equity	Appraised value of shareholders' total equity	Difference	Appreciation rate (%)
Sinopec Henan	68,629.96	69,383.03	753.07	1.10
Sinopec Jiangsu	66,429.68	67,166.72	737.04	1.11

3. Purposes of the Restructuring and Its Impacts on the Company

The Company carries out restructuring of four regional companies i.e. Sinopec Henan, Sinopec North China, Sinopec Jiangsu and Sinopec East China, for the following purposes:

1. Conducive to sharing of regional resources to reduce operating costs. The restructuring and integration will help realize unified organization, unified deployment and unified utilization of material supplies, auxiliary production facilities and staff living ensuring facilities necessary for the production, operation and development of the Company's subsidiaries, so as to reduce the cost of all segments of production and management and further enhance management efficiency.
2. Conducive to the formation of scale advantages and enhancement of risks resistant capability. The existing businesses of the aforesaid four regional companies are similar and the operation scales of all subsidiaries are relatively small. After the restructuring, optimization and integration of the professional teams, technology development and equipment upgrades in the North China and East China regional markets can be achieved in a relatively short period of time to form synergy, hence strengthening the market competitiveness of the Company in the relevant business areas and the overall risk resistant capability of subsidiaries of the Company.
3. Conducive to further development of high-end business and creation of featured technologies of advantage. After completion of the restructuring and integration, it will be favorable to rely on the resources advantages of the aforesaid regional companies such as existing enterprise talent teams, technology development and stable cash flow to strengthen the effort on building featured technologies according to the Company's market layout and industry positioning in the North China and East China regions, contributing to accelerated development of high-end business.

After the completion of the restructuring and integration, the scope of consolidation of the Company's financial statements will remain unchanged, while Sinopec Henan and Sinopec Jiangsu will remain subsidiaries and be included in the scope of the consolidated financial statements. The restructuring and integration will have no significant material impact on the existing assets and operating results of the

Company.

1. Definitions

In this announcement, unless the context otherwise indicates, the following terms shall have the following meanings:

"Company"	Sinopec Oilfield Service Corporation (中石化石油工程技術服務股份有限公司), a joint stock limited company established in the PRC, its A shares are listed in the SSE and its H shares are listed on the Main Board of the Hong Kong Stock Exchange
"SOSC"	Sinopec Oilfield Service Corporation (中石化石油工程技術服務有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of the Company
"Sinopec Henan"	Sinopec Henan Oil Engineering Company Limited(中石化河南石油工程有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of SOSC
"Sinopec North China"	Sinopec North China Oil Engineering Company Limited (中石化華北石油工程有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of SOSC
"Sinopec Jiangsu"	Sinopec Jiangsu Oil Engineering Company Limited(中石化江蘇石油工程有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of SOSC
"Sinopec East China"	Sinopec East China Oil Engineering Company Limited (中石化華東石油工程有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of SOSC

By Order of the Board
Li Honghai
Company Secretary

Beijing, PRC, 30 March 2016

As at the date of this announcement, the Board of Directors comprises Mr. Jiao Fangzheng⁺, Mr. Zhou Shiliang[#], Mr. Li Lianwu⁺, Mr. Zhang Hong⁺, Ms. Jiang Bo^{}, Mr. Zhang Huaqiao^{*} and Mr. Pan Ying^{*}.*

+ Non-Executive Director

Executive Director

** Independent Non-Executive Director*