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PROGRESS ANNOUNCEMENT ON AN ARBITRATION IN RELATION TO AN INDIRECT WHOLLY-OWNED SUBSIDIARY

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.

References are made to the announcements of Sinopec Oilfield Service Corporation (the “**Company**”) dated 26 August 2019, 25 February 2022 and 15 August 2022 in relation to the international arbitration between Ecuador Banya Duri Company (厄瓜多爾斑尼亞杜麗公司), an indirectly wholly-owned subsidiary of the Company (the “**Banya Duri Company**”), and Corporacion Estatal Petrolera Ecuatoriana (the “**PAM**”, now renamed as PEC) in relation to the disputes on the payments for increased oil production under the I-L-Y oilfield comprehensive service projects (the “**Arbitration**”). The Arbitration ruling supports PAM’s payment of approximately US\$64 million as compensation (excluding the default interest payable by PAM) to Banya Duri Company (the “**Ruling**”). On 11 August 2022, Ecuadorian time, Banya Duri Company received a notice from the Santiago court in Chile that PAM and its relevant parties had submitted an application to the court to revoke the Ruling. This application has been accepted, and Banya Duri Company intended to carry out the relevant litigation work in accordance with the requirements of the Chilean law (the “**Litigation**”).

On 12 May 2023, the judgment of first instance made by Santiago court in Chile in the Litigation is as follows:

1. Dismissing the application of PAM and its relevant parties to revoke the Ruling;
2. Confirmation that the Arbitration made by the arbitration tribunal dated 21 February 2022 and the clarifications made by the arbitration tribunal for the Arbitration on 23 April 2022 and 13 May 2022, respectively, are valid; and
3. The respective litigation costs for the Litigation shall be borne by each party.

Under Chilean law, the normal statutory period for appeal is 15 working days, calculated from the date of receipt of the litigation judgment or its amendment. Whether PAM and its relevant parties will appeal against the first-instance judgment made by the Santiago court in Chile within the statutory period and whether the Ruling can be enforced are still uncertain.

As there is uncertainty in the Litigation results, and the Ruling results had not yet been executed, it is currently impossible to determine the impact of the Arbitration on the current or future profits of the Company. The Company has made a certain proportion of bad debt provision for the above accounts receivable according to their aging. The Company will make active response and safeguard the legitimate rights and interests of the Company. In the meantime, the Company will perform its obligation in disclosure information regarding the progress of the Litigation and execution of the Arbitration results according to the relevant requirements in a timely manner. Investors are advised to be cautious about the investment risks.

By Order of the Board
Shen Zehong
Company Secretary

PRC, 17 May 2023

As at the date of this announcement, the Board of Directors comprises Mr. Chen Xikun#, Mr. Yuan Jianqiang#, Mr. Lu Baoping+, Mr. Fan Zhonghai+, Mr. Wei Ran+, Mr. Zhou Meiyun+, Mr. Chen Weidong, Mr. Dong Xiucheng* and Mr. Zheng Weijun*.*

Executive Director

+ Non-Executive Director

** Independent Non-Executive Director*