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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 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, 15 August 2022 and 17 May 2023 in relation to the international arbitration between Ecuador Banya Duri Company (厄瓜多爾斑尼亞杜麗公司), an indirect 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 that PAM and its relevant parties had submitted an application to the Santiago court in Chile to revoke the Ruling. On 12 May 2023, Ecuadorian time, Santiago court in Chile issued the judgment of first instance to dismiss the application of PAM and its relevant parties to revoke the Ruling.

Recently, Banya Duri Company and PAM entered into a settlement agreement in Quito, Ecuador in relation to the payment of part of the award in the Ruling. Pursuant to the foregoing agreement, the parties agreed that PAM shall pay part of the award in the Ruling in 11 monthly installments from December 2023, totaling approximately US\$34.98 million and to set up coordinated work meetings to determine corresponding payment plans in relation to the remaining award in the Ruling.

As the Ruling results had not been fully 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. If PAM and its relevant parties fulfill the settlement agreement and actually pay the award in the future, the

Company shall record the resulting reversal amount of loss provision as a gain in profit and loss in the current period when the said amount is received. 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 information disclosure regarding the progress of the 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

Beijing, PRC, 7 December 2023

As at the date of this announcement, the Board of Directors comprises Mr. Chen Xikun[#], Mr. Yuan Jianqiang[#], 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*