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Sinopec Oilfield Service Corporation

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

(Stock code: 1033)

Inside Information

Expected loss for the nine months ended 30 September 2016

The board of directors of the Company announces that according to a preliminary assessment, the operational results of the Company is expected to record a loss for the nine months ended 30 September 2016, with net loss attributable to equity shareholders of the Company of approximately RMB 8,900 million in accordance with the PRC Accounting Standards for Business Enterprises.

Shareholders and investors of the Company are advised to exercise caution when dealing in securities of the Company.

This announcement is made by Sinopec Oilfield Service Corporation (the ‘‘**Company**’’) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company announces expected loss of the Company as follows:

1. Expected results for the nine months ended 30 September 2016

(1) Period of the expected results: from 1 January 2016 to 30 September 2016.

(2) Expected results: According to a preliminary assessment of the Company's accounting department, the Company expected to record a loss for the nine months ended 30 September 2016 and the net loss attributable to the equity shareholders of

the Company will be approximately RMB 8,900 million in accordance with the PRC Accounting Standards for Business Enterprises.

- (3) The above expected loss have not been reviewed or audited by any certified accountants.

2. Results for the corresponding period of the previous year

	Under the PRC Accounting Standards for Business Enterprises
Net loss attributable to equity shareholders of the Company	RMB 2,059,887,000
Basic loss per share	RMB 0.149

3. Reasons for the expected loss

In the first half of 2016, the net loss attributable to the equity shareholders of the Company was RMB 4,509 million in accordance with the PRC Accounting Standards for Business Enterprises. During the third quarter of 2016, affected by the global crude oil prices maintaining at a low level, the domestic and international oil and gas companies continued to cut the expenses on upstream exploration and development. The global oilfield service sector was experiencing a continuous downturn and there is no substantive changes in respect of the decline in the operation volume and the decrease in the service price in the oilfield service market, resulting in a further increase in the operating loss of the Company. Accordingly, the expected net loss attributable to the equity shareholders of the Company will be approximately RMB 8,900 million for the nine months ended 30 September 2016.

4. Other information

The above data was arrived at after a preliminary assessment, and the details of the financial information in the third quarterly report of 2016 to be disclosed by the Company shall prevail.

Shareholders and investors of the Company are advised to exercise caution when dealing in securities of the Company.

For and on behalf of the Board of Directors

Li Honghai

Company Secretary

Beijing, PRC, 10 October 2016

As at the date of this announcement, the Board of Directors comprises Mr. Jiao Fangzheng⁺, Mr. Sun Qingde[#], 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*