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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 Estimated Significant Decrease in Loss

The board of directors of the Company announces that according to the preliminary calculations, the Company expects that its loss for the six months ended 30 June 2017 will have a significant decrease as compared with the loss for the corresponding period of previous year, with a net loss attributable to equity shareholders of the Company of approximately RMB 2,270 million in accordance with the PRC Accounting Standards for Business Enterprises.

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

1. The Estimated results for the six months ended 30 June 2017

- (1) The period of estimated results: from 1 January 2017 to 30 June 2017.
- (2) The estimated results: According to the preliminary calculation of the Company's Financial Department, the net loss attributable to the equity shareholders of the Company is around RMB 2,270 million for the six months ended 30 June 2017 under the PRC Accounting Standards for Business Enterprises, representing a significant decrease as compared with that for the corresponding period of previous year.

(3) The above estimate has not yet been reviewed or audited by the auditors.

2. Results for the corresponding period of previous year

	Under the PRC Accounting Standards for Business Enterprises
Net loss attributable to equity shareholders of the Company	RMB 4,509,420,000
Basic loss per share	RMB 0.319

3. Explanation for the estimated significant decrease in loss for the period

In the first half of 2017, as the international oil price gradually rebounded, the upstream capital expenditures on exploration and development of domestic and international oil companies increased as compared with the corresponding period of previous year. However, the oilfield services industry was still facing challenges and uncertainties. Under such circumstances, the Company has been vigorously expanding markets, which has brought an increasing operating revenue aligned with the increasing professional work volumes. Meanwhile, the Company has been deepening internal reforms, strengthening fine management, and optimizing its operation and production, which has led to a decrease in expenses as compared with that for the corresponding period of previous year. As a result, the Company estimated that the net loss attributable to the equity shareholders of the Company is around RMB 2,270 million for the six months ended 30 June 2017 as compared with the corresponding period of previous year, representing a year-on-year decrease of RMB 2,240 million..

4. Other information

The information contained in this announcement is only a preliminary calculations, and accurate financial information in the interim results announcement of the Company for the six months ended 30 June 2017 (the "**Interim Results Announcement**") to be formally published by the Company shall prevail. Shareholders and potential investors are advised to refer to the Interim Results Announcement, which is expected to be published in August 2017.

Shareholders and potential 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, 12 July 2017

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

+ *Non-Executive Director*

Executive Director

* *Independent Non-Executive Director*