

COSL

中海油田服务股份有限公司
China Oilfield Services Limited

(Incorporated in the People's Republic of China as a joint stock limited liability company)

(Stock Code: 2883)

Announcement of COSL's Unaudited Operational Performance for the First Half of 2007

China Oilfield Services Limited ("COSL" or the "Company") (stock code: 2883.hk) announced its unaudited operational statistics for the six months ended on 30 June 2007.

Since the beginning of 2007, the offshore oil and natural gas exploration and development activities in the PRC have been robust resulting in demand outpacing supply of drilling rigs services, hence the Company's drilling service attained favourable growth momentum. As at 30 June 2007, utilization rate in terms of available days for the drilling rig of COSL reached 100%, maintaining the same level as the first half of last year; utilization rate in terms of calendar days was 97.9%, an increase of 10.3% over that of the corresponding period last year. In the first half of the year, the Company's drilling rigs operated a total of 2,658 days, an increase of 434 days or 19.5% over last year. Of which the operating days of jack-up rigs increased by 350 days or 19.7% over the first half of last year. This is primarily attributable to the commencement of operation of COSL 941(a newly-built 400-foot jack-up rig) in June last year, which added up a total of 176 operating days for the first half of 2007, while the maintenance days of jack-up rigs decreased by 174 days in the same period. The number of operating days of semi-submersible rigs increased by 84 days or 18.9% over last year, mainly because the number of maintenance days decreased by 84 days.

During the period, the well workover business of COSL operated for 7,610 team days, an increase of 24.5% over the 6,112 team days in the first six months of 2006, mainly attributed to the establishment of the new domestic well workover machines building business and a simultaneous increase in horizontal drilling operation and platform adjustment well services.

In the first half of 2007, three of the four module rigs that COSL invested for Pemex, the Mexican Oil Company, commenced operation in the waters of Mexico and charged on a day-rate. The project progressed smoothly and was highly recognised by the client.

In the first half of 2007, COSL made new breakthrough in overseas markets for its well services business. In February, COSL entered into a Papua New Guinea LIHIR cementing operating contract with PNOC-EDC(the Philippines National Petroleum Company). The project officially commenced operation in June.

In the first half of 2007, operating datum of well services in respect of which COSL provided logging and directional drilling were 462 and 248, increasing by 32.0% and 145.5% respectively over that of the corresponding period last year. This is mainly attributable to the increase in directional well operation due the return of NH2 operating in the PRC and commencement of COSL941. There were 238 cementing

trips which increased by 76.3% principally as a result of expansion into the overseas market. 790 trips of well completion were recorded, a growth of 20.4%, while drilling fluids services for 139 wells were performed, a decrease of 17.8%. Despite the decrease of drilling fluids workload compared with that of the same period last year, income from this segment increased due to the application of hi-tech materials and increase in service price.

As at 30 June 2007, COSL operated a total of 70 supporting vessels, of which the new triple-purpose supporting vessel COSL672 operated 132 days in aggregate in the first six months. With respect to the marine support and transportation services, offshore utility vessels operated 11,925 days during the period, an increase of 293 days or 2.5% over that of the same period last year. The average utilization rate in terms of available days reached 99.5%, an increase of 1.1% over that of the corresponding period last year. The utilization rate in terms of calendar days was 94.3%, slightly down by 0.2%.

In respect of COSL's geophysical services, supported by the enormous demand for 3D seismic data collection from the domestic market and with the formal operation of COSL718, the 6-streamer seismic vessel and renovation of Binhai 512, 3D seismic data collection operations increased substantially over the corresponding period of last year to a coverage of 5,691 sq. kilometers, representing an increase of 62.9%. 2D seismic data of 22,912 kilometers were processed, down by 24.2% compared with that of the same 2006 period, mainly because some vessels switched operation to 3D seismic data collection. In terms of data processing services, COSL achieved promising performance for the first half of the year. 2D seismic data processing volume reached 6,157 kilometers, a 102.9% growth over the same period last year. 3D seismic data processing volume reached 2,637 sq. kilometers, a 103.5% growth over the first half of last year.

Operating Performance Overview:

Drilling Activities	As at 30 June 2007	As at 30 June 2006	Change (%)
Operating Days (Days)	2,658	2,224	19.5%
Jack-up Rigs	2,130	1,780	19.7%
Semi-submersible Rigs	528	444	18.9%
Utilization Rate (Available Day)	100.0%	100.0%	0.0%
Jack-up Rigs	100.0%	100.0%	0.0%
Semi-submersible Rigs	100.0%	100.0%	0.0%
Utilization Rate (Calendar Day)	97.9%	87.6%	10.3%
Jack-up Rigs	98.1%	89.2%	8.9%
Semi-submersible Rigs	97.2%	81.8%	15.5%
Well Workover (Team • Day)	7,610	6,112	24.5%

Well Services	As at 30 June 2007	As at 30 June 2006	Change (%)
Logging (no. of jobs)	462	350	32.0%
Drilling Fluids (no. of wells)	139	169	-17.8%
Directional Drilling (no. of jobs)	248	101	145.5%
Cementing (no. of wells)	238	135	76.3%
Well Completion (no. of jobs)	790	656	20.4%

Marine Support and Transportation Services	As at 30 June 2007	As at 30 June 2006	Change (%)
Operating Days (Days)	11,925	11,632	2.5%
Standby vessels	6,524	6,570	-0.7%
AHTS vessels	3,535	3,199	10.5%
PSV vessels	1,058	1,071	-1.2%
Utility vessels	808	792	2.0%
Vessel Utilization Rate (Available Day)	99.5%	98.4%	1.1%
Standby vessels	100.0%	99.5%	0.5%
AHTS vessels	100.0%	98.0%	2.0%
PSV vessels	100.0%	99.8%	0.2%
Utility vessels	93.1%	89.9%	3.2%
Vessel Utilization Rate (Calendar Day)	94.3%	94.5%	-0.2%
Standby vessels	94.9%	95.5%	-0.6%
AHTS vessels	93.6%	93.0%	0.6%
PSV vessels	97.5%	98.6%	-1.1%
Utility vessels	89.2%	87.5%	1.7%

Geophysical Services	As at 30 June 2007	As at 30 June 2006	Change (%)
2D Seismic Data			
Data Collection (km)	22,912	30,229	-24.2%
Data Processing (km)	6,157	3,035	102.9%
3D Seismic Data			
Data Collection (km ²)	5,691	3,494	62.9%
Data Processing (km ²)	2,637	1,296	103.5%

By order of the Board
China Oilfield Services Limited
Chen Weidong
Company Secretary

23 July 2007
Beijing

As at the date of this announcement, the executive directors of the Company are Messrs. Yuan Guangyu and Li Yong; the non-executive directors of the Company are Messrs. Fu Chengyu and Wu Mengfei; and the independent non-executive directors of the Company are Messrs. Andrew Y. Yan, Gordon C.K. Kwong and Simon X. Jiang.