



China Oilfield Services Limited
2009 Third Quarterly Report

Stock Abbreviation: CHINA OILFIELD

Stock Code: 601808

29 October 2009

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§1. Important Notice

- 1.1 The board of directors (the “Board”), the supervisory committee and the directors, supervisors and senior management of China Oilfield Services Limited (the “Company”) warrant that the data of this report contains no misrepresentation, misleading information or material omission and will be individually and jointly responsible for the truthfulness, accuracy and completeness of the contents of the report.
- 1.2 All directors of the Company attended the Board meeting.
- 1.3 The Third Quarterly Financial Report of the Company was unaudited.
- 1.4 Mr. Liu Jian, Chief Executive Officer, Mr. Zhong Hua, EVP&CFO, and Mr. Chen Linting, General Manager of Accounting Department, have declared that they assure for the truthfulness and completeness of the financial statements in the report.

§2. Company Profile

2.1 Major Accounting Data and Financial Indicators

Currency: RMB

	As at 30 September 2009	As at 31 December 2008	Change over the end of last year (%)
Total assets (million Yuan)	60,515.25	56,272.92	7.5
Shareholders' equity (million Yuan)	21,975.86	19,797.84	11.0
Net assets per share attributable to equity holders of the Parent (Yuan)	4.89	4.40	11.1
	From the beginning of the year to end of the reporting period (January to September)		Change over the corresponding period of last year (%)
Net cash flow from operating activities (million Yuan)	2,949.98		60.7
Net cash flow per share from operating activities (Yuan)	0.66		61.0
	The Reporting Period (July to September)	From the beginning of the year to end of the reporting period (January to September)	Change over the corresponding period of last year (%)
Net profit attributable to equity holders of the Parent (million Yuan)	1,777.16	2,805.54	2.1
Basic earnings per share (Yuan)	0.40	0.62	1.6
Basic earnings per share after deduction of extraordinary gain and loss (Yuan)	0.43	0.68	11.5
Diluted earnings per share (Yuan)	0.40	0.62	1.6
Fully diluted net assets earning ratio (%)	8.09	12.77	Decreased 1.38%

Ratio of fully diluted net assets earning after deduction of extraordinary gain and loss (%)	8.80	13.90	Decreased 0.18%
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Items and amounts of extraordinary gain and loss

Currency:RMB Unit: Yuan

Items	Amount for the period ended January- September 2009
Loss on disposal of non-current assets	(4,063,243)
Subsidy income	2,282,200
Fair value change in financial liabilities held for trading	43,652,527
Net amounts of other non-operating income and expenses	(343,495,783)
Total of extraordinary gain and loss	(301,624,299)
Less: tax effect	(51,791,524)
Net amounts affecting under extraordinary gain and losses	(249,832,775)

2.2 Total number of shareholders and particulars of the top ten holders of listed shares not subject to trading restrictions as at the end of the reporting period

Total number of shareholders as at the end of the reporting period:	A share: 175,193
	H share: 267

Unit: Share

Particulars of the top ten holders of listed shares not subject to trading restrictions		
Name of shareholders (in full)	Number of listed shares not subject to trading restrictions as at the end of the reporting period	Class of shares
HKSCC NOMINEES LIMITED	1,530,997,899	H Shares
Great Wall Brand Optimal Stock Securities Investment Fund	17,478,844	A Shares
China Southern Index Composite Equity Fund	9,052,881	A Shares
E Fund Value Growth Fund	7,406,034	A Shares
Baoying Pan-Coastal Regional Growth Equity Securities Investment Fund	6,999,996	A Shares
Franklin Sealand China Flex Cap Fund	6,821,228	A Shares
Chang Xin Jinli Trend Equity Fund	6,059,604	A Shares
China Pacific Life Insurance Co., Ltd.- Participating-Individual Participating	4,688,893	A Shares
ChinaAMC CSI 300 Index Fund	4,499,866	A Shares
Harvest SHSE-SZSE 300 Index Fund	4,083,877	A Shares

Note: 1. Shares held by Hong Kong Securities Clearing Company (HKSCC) Nominees Limited were the sum of H-shares in the accounts of COSL's H-share shareholders (by agent) traded in trading platform of HKSCC Nominees Limited.

2. To the knowledge of the Company, there were no connected relationships or concerted actions between the above top 10 shareholders not subject to restrictions on sales.

2.3 Operating results review

For the first three quarters of 2009, under the impact of, among other things, the acquisition of COSL Drilling Europe AS (the "CDE Group") and the highly efficient operation of the equipment of the Company, the operating revenue of China Oilfield Services Limited (the "Group") amounted to RMB13,525.1 million, representing an increase of 65.0% as compared to RMB8,194.6 million for the corresponding period (January to September) of last year. Net profit of the Group amounted to RMB2,805.5 million, representing an increase of 2.1% over the corresponding period (January to September) of last year.

Operating data of the main segments for the nine months ended 30 September 2009 is listed in the following table:

Drilling Services	For the period ended 30 September 2009	For the period ended 30 September 2008	Change
Operating Days (Days)	6,114	3,722	64.3%
Jack-up Rigs	5,298	2,900	82.7%
Semi-submersible Rigs	816	822	-0.7%
Utilization Rate (Available Day)	97.4%	100.0%	-2.6%
Jack-up Rigs	97.0%	100.0%	-3.0%
Semi-submersible Rigs	100.0%	100.0%	0.0%
Utilization Rate (Calendar Day)	95.9%	90.0%	5.9%
Jack-up Rigs	95.4%	87.5%	7.9%
Semi-submersible Rigs	99.6%	100.0%	-0.4%
Marine Support and Transportation Services	For the period ended 30 September 2009	For the period ended 30 September 2008	Change
Operating Days (Days)	20,513	17,596	16.6%
Standby vessels	11,948	9,703	23.1%
AHTS vessels	5,236	5,351	-2.1%
PSV vessels	1,325	1,457	-9.1%
Utility vessels	1,506	1,085	38.8%
Barges	498	-	
Vessel Utilization Rate (Available Day)	97.3%	99.8%	-2.5%
Standby vessels	97.9%	99.8%	-1.9%

AHTS vessels	97.2%	99.9%	-2.7%
PSV vessels	100.0%	99.9%	0.1%
Utility vessels	100.0%	99.2%	0.8%
Barges	75.1%	-	

**Vessel Utilization Rate
(Calendar Day)**

	92.8%	95.4%	-2.6%
Standby vessels	93.2%	95.9%	-2.7%
AHTS vessels	93.3%	93.0%	0.3%
PSV vessels	97.1%	99.7%	-2.6%
Utility vessels	91.9%	97.9%	-6.0%
Barges	75.1%	-	

Geophysical Services	For the period ended 30 September 2009	For the period ended 30 September 2008	Change
2D Seismic Data			
Data Collection (km)	29,549	42,532	-30.5%
Data Processing (km)	12,515	8,712	43.7%
3D Seismic Data			
Data Collection (km ²)	9,212	11,793	-21.9%
Data Processing (km ²)	4,614	5,011	-7.9%

As of 30 September 2009, the Group operated and managed a total of 25 drilling rigs, 2 accommodation rigs, 4 module rigs and 6 land drilling rigs. With the addition of CDE Group and the decrease of maintenance days, the operating days of our rigs fleet reached 6,114 days, an increase of 2,392 days or 64.3%. The average calendar day utilization rate was 95.9%, an increase of 5.9%. Moreover, 4 module rigs provided drilling services for clients in the Mexico Gulf, with 1,063 operation days during the period, and the calendar day utilization rate was 97.4%. 6 land drilling rigs operating in Libya and China brought 1,499 operating days, with the calendar day utilization rate reaching 100.0%.

As of 30 September 2009, the Group owned an aggregate of 87 utility vessels of various types, representing an increase of 17 vessels. In addition, the Group leased five platform supply vessels from the jointly-controlled entity, Eastern Marine Services Ltd. The expansion of our fleet size also raised the operating days of the utility vessels of the Group to 20,513 days, representing an increase of 2,917 days or 16.6%. The average calendar day utilization rate was 92.8%, which was basically at the same level with the corresponding period of last year.

Driven by the effect of the acquisition of CDE Group and the application of high technology, the well services segment has seen a significant increase in operating revenue.

Affected by the decrease in surveying and development activities of oil and gas companies, our geophysical services business had declined.

§3. Significant Events

3.1 Disclosure as to and reasons for, material changes in major accounting items and financial indicators of the Company

Applicable Not applicable

Reasons for major accounting items with changes of over 30% are as follows:

(I) Analysis of income statement

Note: On 29 September 2008, COSL held 98.8% interest in CDE. As the business combination was not involving entities under common control, its balance sheet was consolidated into the balance sheet of COSL as of 30 September 2008 and was disclosed in the third quarterly report for 2008. The comparison in the income statement for the current period was based on the current period which has included the results of CDE and the corresponding comparative period which did not include the results of CDE.

1. Revenue

For the nine months ended 30 September 2009, the revenue of the Group was RMB13,525.1 million, representing an increase of RMB5,330.5 million, or 65.0%, as compared to RMB8,194.6 million for the corresponding period (January to September) of last year. The increase was mainly attributable to the contribution of revenue of RMB3,475.7 million by CDE Group (Among which, due to the termination of the drilling contract, the related reversal of deferred revenue leads to an increase of revenue of RMB1,072.9 million) and the increase in operating volume resulting from the highly efficient operation of equipment.

2. Operating costs

For the nine months ended 30 September 2009, the operating cost of the Group was RMB7,697.5 million, representing an increase of RMB2,785.6 million, or 56.7%, as compared to RMB 4,911.9 million for the corresponding period (January to September) of last year. This was primarily attributable to the increase of operating cost of RMB1,570.8 million on the part of CDE Group and, as operating volume increased, the consumption of supplies also increased.

3. Business taxes and surcharges

In line with the increase of revenue, business taxes and surcharges of the Group increased by RMB103.3 million, or 51.3% to RMB304.7 million as compared to RMB201.4 million for the corresponding period (January to September) of last year.

4. General and administrative expenses

For the nine months ended 30 September 2009, the general and administrative expenses of the Group were RMB 306.0 million, representing an increase of RMB 109.5 million, or 55.7%, as compared to RMB 196.5 million for the corresponding period (January to September) of last year. This was mainly due to the increase in general and administrative expenses of RMB104.2 million on the part of CDE Group.

5. Financial expenses

For the nine months ended 30 September 2009, the financial expenses of the Group were RMB749.2 million, representing an increase of RMB567.8 million from RMB181.4 million for the corresponding period (January to September) of last year. The borrowing of US\$2.2 billion for the acquisition of CDE and CDE's own borrowings contributed in large part to the increase.

6. Asset impairment losses

For the nine months ended 30 September 2009, the Group recorded asset impairment losses of RMB824.9 million, a substantial increase of RMB824.5 million as compared to RMB0.4 million for the corresponding period (January to September) of last year. This was primarily attributable to the fact that, due to the adverse impact of the macroeconomic environment on the industry and the delay in the delivery of the three semi-submersible rigs under construction, the management performed an impairment test on the assets, in accordance with the requirements of the applicable accounting standard, and recognized an asset impairment loss of RMB819.6 million based on the test result.

7. Investment income

For the nine months ended 30 September 2009, the Group recorded investment loss in the amount of RMB11.7 million, representing a decrease of RMB204.3 million as compared to a profit of RMB192.6 million for the corresponding period (January to September) of last year. This was mainly due to a decrease of revenue from its jointly-controlled entity, Atlantis Deepwater Orient Ltd. due to its deepwater technology research expenditure incurred.

8. Non-operating expenses

For the nine months ended 30 September 2009, the non-operating expenses of the Group was RMB379.2 million, representing an increase of RMB354.8 million, or 1,454.1%, as compared to RMB24.4 million for the corresponding period (January to September) of last year. This was primarily due to the provision of litigation cost during the period.

9. Income tax

For the nine months ended 30 September 2009, net income tax expense of the Group was RMB519.3 million, representing an increase of RMB358.7 million or 223.3% from RMB160.6 million for the corresponding period (January to September) of last year. The main reason was that the Group, as an advanced technology enterprise, received tax refund last year in the amount of RMB524.0 million for 2007. The Group provided for income tax at the preferential rate of 15% as an advanced technology enterprise during the period.

(II) Balance sheet analysis

Subsequent to the announcement of asset impairment in the interim period, the Group completed the purchase price allocation (PPA) in respect of its acquired assets on 30 September. As such, the Group made retrospective adjustments on the opening balances of the corresponding accounting items in the balance sheet at the beginning of the period. The following table sets out the change of the balance of the relevant accounting items before and after the adjustment:

Unit: RMB

Accounting item	Before adjustment	After adjustment
Fixed assets	24,068,861,634	24,137,207,634
Construction in progress	17,007,742,511	15,428,949,914
Goodwill	3,480,541,331	4,604,785,191
Deferred tax liabilities	2,429,001,220	1,697,131,751
Other non-current liabilities	1,585,039,930	1,930,706,662

The analysis of reasons for relatively significant changes in the amount of accounting items on the balance sheet is as follows:

1. Notes receivable

As at 30 September 2009, notes receivable of the Group were RMB2.2 million, representing a decrease of RMB352.7 million or 99.4% compared with RMB354.9 million as of the beginning of the year, mainly due to the receipt of the relevant notes receivable from customers by the Group during the period.

2. Accounts receivable

As at 30 September 2009, accounts receivable of the Group were RMB5,292.2 million, representing an increase of RMB2,557.2 million or 93.5% compared with RMB2,735.0 million as of the beginning of the year, mainly due to the increased revenue of the Group.

3. Prepayments

As at 30 September 2009, prepayments of the Group were RMB802.2 million, representing a decrease of RMB479.3 million or 37.4% compared with RMB1,281.5 million as of the beginning of the year, mainly due to the transfer to construction in progress as the construction project of the 350-foot drilling rig progressed.

4. Fixed assets

As at 30 September 2009, fixed assets of the Group were RMB28,785.8 million, representing an increase of RMB4,648.6 million or 19.3% compared with RMB24,137.2 million as of the beginning of the year, mainly due to the commencement of production of one 375-foot jack-up drilling rig, one 400-foot jack-up drilling rig, two land drilling rigs, nine oilfield utility vessels and three workover support barges of the Group.

5. Short-term borrowings

As at 30 September 2009, the Group had no short-term borrowings and the balance of short-term borrowings at the beginning of the year was RMB6,835.6 million. The decrease was due to the refinancing by the Group for early repayment of the short-term portion (US\$933.3 million in total, equivalent to approximately RMB6,359.5 million) in May this year of the US\$1.4 billion borrowings from a bank syndicate for the acquisition of CDE in September 2008. In March 2009, the Group made early repayment of the short-term loans of CDE Group, amounting to approximately RMB476.1 million, from Nordea Bank Norge ASA.

6. Notes payable

As at 30 September 2009, notes payable of the Group were RMB475.7 million, representing an increase of RMB108.9 million or 29.7% compared with RMB366.8 million as of the beginning of the year. Notes payable for the period were the construction cost payable for the four 200-foot drilling rigs.

7. Interest payable

As at 30 September 2009, interest payable of the Group amounted to RMB162.0 million, representing a decrease of RMB166.0 million or 50.6% compared with RMB328.0 as of the beginning of the year, mainly due to scheduled payment for interest on certain bank loans by the Group.

8. Current portion of non-current liabilities

As at 30 September 2009, current portion of non-current liabilities of the Group amounted to RMB283.1 million, representing a decrease of RMB659.9 million or 70.0% compared with RMB943.0 million as of the beginning of the year, mainly due to repayment by the Group of the borrowings of RMB659.7 million from Nordea Bank Norge ASA which were due in May 2009.

9. Long-term bank borrowings

As at 30 September 2009, long-term bank borrowings of the Group amounted to RMB27,371.1 million, representing an increase of RMB11,015.7 million or 67.4% compared with RMB16,355.4 million as of the beginning of the year. The increase was mainly due to the borrowings of RMB1,100.0 million cumulatively from CNOOC Finance Co., Ltd. in June and August 2009 for the repayment of previous loans and as working capital. In May 2009, US\$0.8 billion (equivalent to approximately RMB5,465.5 million) and US\$0.6 billion (equivalent to approximately RMB4,099.1 million) were borrowed from the Bank of China Limited and the Industrial and Commercial Bank of China Limited respectively for the refinancing of a syndicate bank loan of US\$1.4 billion which belonged to a subsidiary. During May to July 2009, US\$1.47 billion (equivalent to approximately RMB10,038.6 million) was borrowed from the Bank of China Limited for the refinancing of CDE's Nordea Bank loans and as working capital. In April 2009, RMB450.0 million was borrowed from the Import and Export Bank of China for the construction of the land drilling rig in Libya.

On the other hand, the Group repaid RMB200.0 million of the loans from the Import and Export Bank of China in June 2009 and RMB19.6 million of the borrowings from Eksportfinans, a Norway export credit institution, in February 2009, respectively. The Group also repaid US\$984.1 million (equivalent to RMB6,723.2 million) of the loans from Nordea Bank and US\$466.7 million (equivalent to RMB3,188.2 million) of the loans from the Bank of China through the refinancing.

10. Other non-current liabilities

As at 30 September 2009, other non-current liabilities were RMB878.2 million, representing a decrease of RMB1,052.5 million or 54.5% compared with RMB1,930.7 million at the beginning of the year. Due to the delay in delivery of the semi-submersible drilling rig COSL Pioneer, BP Norge AS has terminated its North Sea drilling contract with CDE in July this year. As the Group has recognised the respective deferred revenue at the beginning of the year, a one-off reversal of deferred revenue of RMB1,072.9 million was made due to the termination of the contract during the period.

(III) Cash flow statement

1. Net cash flows from operating activities

As at 30 September 2009, net cash flows from operating activities of the Group reached RMB2,950.0 million, representing an increase of RMB1,114.7 million or 60.7% compared with RMB1,835.3 million as of the same period (January to September) last year. The increase was mainly due to the increase in cash gained from sales of goods and provision of labour service as a result of the continuous expansion in the overall scope of business driven by the operation of the CDE Group acquired.

2. Net cash flows from investing activities

As at 30 September 2009, cash outflows from investing activities of the Group amounted to RMB5,024.0 million, representing a decrease of RMB13,776.1 million or 73.3% compared with RMB18,800.1 million as of the same period (January to September) last year. The decrease was mainly due to the cash payment of RMB15,160.6 million for the acquisition of Awilco Offshore ASA by the Company during the same period last year.

3. Net cash flows from financing activities

As at 30 September 2009, net cash inflows from financing activities of the Group amounted to RMB1,013.3 million, representing a decrease of RMB12,904.7 million or 92.7% compared with RMB13,918.0 million as of the same period (January to September) last year. The decrease was mainly due to a year-on-year increase of RMB7,252.6 million in cash received from borrowings during the period off-set by an increase of RMB19,197.7 million for debt repayment in cash and an increase of RMB924.3 million for interest repayment in cash.

3.2 Significant events and analysis on their effects and solutions

√ Applicable Not applicable

On 19 June 2009, the Ministry of Finance, the State-owned Assets Supervision and Administration Commission, China Securities Regulatory Commission and the National Council for Social Security Fund jointly promulgated the Implementing Measures for Partial State-owned Shares Transfers in the Domestic Securities Market to Replenish National Social Security Fund, which provided that “unless otherwise required by the State Council, all limited companies with state-owned shares which carry out initial public offerings and listed on domestic stock markets shall transfer part of the state-owned shares of the limited company, representing 10% of the actual number of shares issued during the initial public offerings, to the National Council for Social Security Fund”. The actual number of shares issued during the initial public offering of the Company was 500,000,000 shares. On 22 September 2009, the 50,000,000 shares held by China National Offshore Oil Corporation, the holding company of the Company, were transferred to the Council for Social Security Fund. On completion of the transfer, the number of shares of the Company held by China National Offshore Oil Corporation changed from 2,460,468,000 shares to 2,410,468,000 shares. The lock-up period of the above transferred shares held by Social Security Fund will conform to the following requirements of the Implementing Measures for Partial State-owned Shares Transfers in the Domestic Securities Market to Replenish National Social Security Fund: “.....Article 13 For state-owned shares of domestic listed companies which are transferred to and held by the Council for Social Security Fund, the Council for Social Security Fund shall carry out the lock-up period obligation of the original state-owned shareholders. For shares transferred by limited companies which conducted initial public

offerings of their shares and were listed before the period between the separation of old and new shares for share segregation reform and the promulgation of these measures, the Council for Social Security Fund shall be subject to an extended lock-up period of three more years in addition to the statutory and voluntary moratorium of the original state-owned shareholders that it is subject to.”

3.3 Status of performance of undertakings made by the Company, shareholders and beneficial controllers

Applicable Not applicable

Undertakings of the controlling shareholder of the Company, China National Offshore Oil Corporation: in the 36 months from the date of listing of A shares of the Company, the shares of the Company that have been hold directly or indirectly will not be transferred or managed by others by custody, nor be acquired by the Company. During the reporting period, there were no incidents of non-compliance with the said undertakings.

3.4 Profit warning on anticipation of possible loss against accumulated net profit from the beginning of the financial year to the end of the next reporting period or significant changes in profit as compared with that of the corresponding period of last year and the reasons therefore

Applicable Not applicable

3.5 Implementation of cash dividend distribution policy during the reporting period

According to the Profit Distribution Plan for 2008 as considered and approved at the First Meeting of the Board of Directors 2009 convened on 1 April 2009, the board of directors of the Company considered and approved the distribution of cash dividend of RMB1.4 per ten shares (tax inclusive) based on a total share capital of 4,495,320,000 shares. A cash dividend totalling RMB629,344,800 was distributed. The balance of undistributed profit was carried forward to the subsequent year for distribution. The above plan was considered and approved at the Annual General Meeting for 2008 of the Company which convened on 3 June 2009 and was completed on 29 June 2009.

**Corporate Representative:
Liu Jian
China Oilfield Services Limited
29 October 2009**

§4.Appendix

Consolidated Balance Sheet

30 September 2009

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

Items	Consolidated		Company	
	Balance at the end of the period	Balance at the beginning of the year (Restated)	Balance at the end of the period	Balance at the beginning of the year
Current assets:				
Cash on hand and at bank	3,260,699,334	4,578,484,264	1,853,325,478	3,042,002,086
Notes receivable	2,164,799	354,869,985	2,164,799	354,869,985
Accounts receivable	5,292,192,469	2,735,024,686	5,347,087,809	3,316,608,684
Prepayments	802,160,066	1,281,548,540	725,859,741	1,230,299,627
Dividend receivable	79,252,275	16,391,075	79,252,275	16,391,075
Interest receivable	930,000	4,342,362	930,000	3,024,938
Other receivables	441,504,046	306,469,550	763,803,750	527,892,570
Inventories	908,972,348	780,870,653	735,893,077	650,306,338
Held-to-maturity investment	39,085,608	39,117,655	-	-
Other current assets	3,002,861	-	3,002,861	-
Total current assets	10,829,963,806	10,097,118,770	9,511,319,790	9,141,395,303
Non-current assets:				
Available-for-sale financial assets	18,330,388	34,317,535	-	-
Long-term equity investments	494,357,231	589,449,106	7,194,396,015	7,216,576,177
Held-to-maturity investment	58,628,408	78,235,318	-	-
Financial assets hold for trading	3,500,873	-	-	-
Fixed assets	28,785,767,483	24,137,207,634	11,638,789,755	10,289,703,965
Construction in progress	14,409,012,290	15,428,949,914	5,995,694,644	4,217,663,329
Intangible assets	462,584,198	533,599,646	308,780,325	324,345,191
Long-term receivable	-	-	19,599,230,000	-
Goodwill	4,601,012,213	4,604,785,191	-	-
Long-term deferred expenses	852,097,192	769,252,771	794,501,880	754,460,662
Total non-current assets	49,685,290,276	46,175,797,115	45,531,392,619	22,802,749,324
Total assets	60,515,254,082	56,272,915,885	55,042,712,409	31,944,144,627
Current liabilities:				
Short-term bank	-	6,835,596,924	-	-

borrowings				
Notes payable	475,687,500	366,762,500	475,687,500	366,762,500
Accounts payable	2,319,317,409	2,376,732,369	1,947,253,610	2,042,417,318
Receipts in advance	7,233,109	38,818,223	7,233,109	38,778,581
Staff cost payable	448,785,551	485,875,262	388,089,744	420,782,578
Taxes payable	250,871,084	343,298,457	258,288,891	249,251,395
Interests payable	162,016,803	327,961,642	68,943,286	49,579,424
Other payables	314,445,097	636,027,209	43,811,210	127,892,339
Current portion of non-current liabilities	283,085,611	943,020,215	244,000,000	244,000,000
Other current liabilities	528,811,780	54,381,067	66,120,793	54,175,828
Total current liabilities	4,790,253,944	12,408,473,868	3,499,428,143	3,593,639,963
Non-current liabilities:				
Financial liabilities held for trading	-	49,307,921	-	-
Long-term bank borrowings	27,371,058,406	16,355,446,023	27,312,430,000	6,367,680,000
Long-term bonds	3,805,747,651	4,028,341,874	1,500,000,000	1,500,000,000
Deferred tax liabilities	1,687,254,967	1,697,131,751	330,794,840	281,827,779
Staff cost payable	6,855,326	5,663,626	-	-
Other non-current liabilities	878,222,455	1,930,706,662	29,129,969	-
Total non-current liabilities	33,749,138,805	24,066,597,857	29,172,354,809	8,149,507,779
Total liabilities	38,539,392,749	36,475,071,725	32,671,782,952	11,743,147,742
Shareholders' equity:				
Share capital	4,495,320,000	4,495,320,000	4,495,320,000	4,495,320,000
Capital reserve	8,074,565,726	8,074,565,726	8,074,565,726	8,074,565,726
Satutory reserve funds	1,000,055,668	1,000,055,668	1,000,055,668	1,000,055,668
Retained earnings	8,384,220,208	6,208,025,040	8,806,222,442	6,636,246,905
Including: proposed cash dividends	-	629,344,800	-	629,344,800
Cumulative translation reserves	21,699,731	19,877,726	(5,234,379)	(5,191,414)
Equity attributable to equity holders of the Parent	21,975,861,333	19,797,844,160	22,370,929,457	20,200,996,885
Minority interests	-	-	-	-
Total shareholders' equity	21,975,861,333	19,797,844,160	22,370,929,457	20,200,996,885
Total liabilities and shareholders' equity	60,515,254,082	56,272,915,885	55,042,712,409	31,944,144,627

Chief Executive Officer

Executive Vice President
and Chief Financial Officer

General Manager of Accounting
Department

Liu Jian

Zhong Hua

Chen Linting

Consolidated Income Statement

January to September 2009

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

Items	Amounts of the period	Amounts of the previous	Amounts from the beginning of the year to end of the reporting period	Amounts from the beginning of the year to end of the reporting period last year
	(July to September)	(July to September)	(January to September)	(January to September)
1. Revenue	5,527,175,816	2,964,575,644	13,525,105,196	8,194,597,556
Less: operating costs	(2,873,443,241)	(1,832,121,179)	(7,697,499,023)	(4,911,856,324)
Bussiness taxes and surcharges	(120,605,681)	(78,515,741)	(304,703,410)	(201,431,631)
Selling expenses	(1,777,183)	(1,302,238)	(4,713,303)	(3,544,234)
General and administrative expenses	(111,437,661)	(68,662,820)	(305,958,844)	(196,520,451)
Financial expenses	(156,923,518)	(143,372,371)	(749,173,907)	(181,433,067)
Assets impairment reversal / (losses)	2,918,304	-	(824,948,650)	(383,800)
Add: Fair value gain	16,736,920	-	43,652,527	-
Investment income	50,170,902	68,971,055	(11,654,362)	192,625,164
Including: Share of profits of jointly-controlled entities	50,170,902	64,469,061	(11,654,362)	167,006,995
2. Operating profit	2,332,814,658	909,572,350	3,670,106,224	2,892,053,213
Add: Non-operating income	7,001,622	24,005,878	33,896,086	42,083,772
Less: Non-operating expenses	(210,677,610)	(22,031,808)	(379,172,912)	(24,433,594)
Including: gain / (losses) on disposal of non-current assets	1,764,171	(4,158,695)	4,227,673	(4,412,448)
3. Profit before tax	2,129,138,670	911,546,420	3,324,829,398	2,909,703,391
Less: Income tax expenses	(351,980,145)	303,071,304	(519,289,430)	(160,633,613)
4. Net Profit	1,777,158,525	1,214,617,724	2,805,539,968	2,749,069,778
Net profit attributable to equity holders of the Parent	1,777,158,525	1,214,617,724	2,805,539,968	2,749,069,778
Minority interests	-	-	-	-
5. Earnings per share:				
Basic earnings per share	0.40	0.27	0.62	0.61

Chief Executive Officer

Liu Jian

Executive Vice President
and Chief Financial Officer

Zhong Hua

General Manager of Accounting
Department

Chen Linting

Income Statement of the Parent Company

January to September 2009

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

Items	Amounts of the period	Amounts of the previous	Amounts from the beginning of the year to end of the reporting period	Amounts from the beginning of the year to end of the reporting period last year
	(July to September)	(July to September)	(January to September)	(January to September)
1. Revenue	3,532,073,672	2,728,524,674	9,649,863,584	7,410,193,918
Less: operating costs	(2,219,186,227)	(1,674,492,426)	(5,740,767,876)	(4,387,775,750)
Bussiness taxes and surcharges	(104,651,254)	(78,299,889)	(266,990,101)	(200,716,332)
Selling expenses	(915,673)	(428,426)	(2,442,092)	(1,362,553)
General and administrative expenses	(57,890,945)	(55,973,089)	(167,081,937)	(161,976,604)
Financial expenses	(223,227,086)	(55,020,269)	(413,732,273)	(113,284,261)
Assets impairment losses	-	-	(5,360,650)	(383,800)
Add: Investment income	68,951,892	59,546,484	134,533,761	164,220,899
Including: Share of profits of jointly-controlled entities	57,951,892	55,044,488	123,533,761	134,242,056
2. Operating profit	995,154,379	923,857,059	3,188,022,416	2,708,915,517
Add: Non-operating income	7,000,722	24,005,878	33,895,186	42,083,772
Less: Non-operating expenses	(5,794,986)	(22,027,400)	(8,901,592)	(24,422,218)
Including: gain / (losses) on disposal of non-current assets	1,730,137	(4,158,695)	4,193,639	(4,412,448)
3. Profit before tax	996,360,115	925,835,537	3,213,016,010	2,726,577,071
Less: Income tax expenses	(161,726,415)	304,136,091	(413,695,673)	(140,608,857)
4. Net Profit	834,633,700	1,229,971,628	2,799,320,337	2,585,968,214
Minority interests	-	-	-	-
5. Earnings per share:				
Basic earnings per share	Not applicable	Not applicable	Not applicable	Not applicable

Chief Executive Officer

Executive Vice President
and Chief Financial Officer

General Manager of Accounting
Department

Liu Jian

Zhong Hua

Chen Linting

Cash Flow Statement

January to September 2009

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

Items	Consolidated		Parent Company	
	Amounts from the beginning of the year to end of the reporting period	Amounts from the beginning of the year to end of the reporting period last year	Amounts from the beginning of the year to end of the reporting period	Amounts from the beginning of the year to end of the reporting period last year
	(Jan.-Sep.)	(Jan.-Sep.)	(Jan.-Sep.)	(Jan.-Sep.)
1.Cash flows from operating activities				
Cash received from sale of goods and rendering of services	10,216,141,665	6,520,486,217	7,687,369,687	5,703,555,677
Tax refund received	2,281,300	77,495,410	2,281,300	77,495,410
Other cash received relating to operating activities	31,356,440	92,592,754	31,356,441	92,251,434
Subtotal of cash inflows from operating activities	10,249,779,405	6,690,574,381	7,721,007,428	5,873,302,521
Cash paid for goods and services	(3,764,462,549)	(2,510,727,112)	(3,271,038,751)	(2,090,512,088)
Cash paid to and for employees	(1,903,221,900)	(1,341,872,029)	(1,366,393,356)	(1,337,939,018)
Cash paid for taxes	(1,192,215,931)	(660,560,698)	(721,185,473)	(615,641,075)
Other cash paid relating to operating activities	(439,902,101)	(342,149,045)	(326,478,547)	(328,370,804)
Subtotal of cash outflows from operating activities	(7,299,802,481)	(4,855,308,884)	(5,685,096,127)	(4,372,462,985)
Net cash inflows from operating activities	2,949,976,924	1,835,265,497	2,035,911,301	1,500,839,536
2.Cash flows from investing activities:				
Cash received from return on investments	-	1,680,000,000	-	1,680,000,000
Cash received from investment income	137,416,414	72,870,644	94,627,676	72,870,644
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	5,342,687	281,984	5,342,687	281,984
Cash received on interest income from bank deposits	44,676,624	116,017,148	23,236,849	114,170,018
Other cash received relating to investing activities	228,592,222	-	266,858,462	-

Subtotal of cash inflows from investing activities	416,027,947	1,869,169,776	390,065,674	1,867,322,646
Cash paid for acquisition of fixed assets and intangible assets other long-term assets	(5,303,003,345)	(3,921,956,885)	(3,721,591,929)	(3,920,717,776)
Cash paid for investments	(99,884)	(16,736,589,662)	(424,884)	(8,405,321,900)
Other cash paid relating to investing activities	(136,938,927)	(10,675,003)	(19,607,553,000)	-
Subtotal of cash outflows from investing activities	(5,440,042,156)	(20,669,221,550)	(23,329,569,813)	(12,326,039,676)
Net cash outflows from investing activities	(5,024,014,209)	(18,800,051,774)	(22,939,504,139)	(10,458,717,030)
3. Cash flows from financing activities				
Cash received from scientific research grants	70,720,000	29,400,000	70,720,000	29,400,000
Cash received from new borrowings and bonds issue	22,277,158,634	15,024,560,000	21,841,078,000	5,467,600,000
Subtotal of cash inflows from financing activities	22,347,878,634	15,053,960,000	21,911,798,000	5,497,000,000
Cash paid for repayment of borrowings	(19,597,673,055)	(400,000,000)	(900,000,000)	(400,000,000)
Cash repayments for distribution of dividend or profits	(630,233,956)	(539,438,400)	(630,233,956)	(539,438,400)
Cash paid for interest expenses	(1,039,973,170)	(115,700,120)	(361,909,570)	(115,700,120)
Other cash paid relating to financing activities	(66,697,600)	(80,787,980)	(66,697,600)	(54,676,000)
Subtotal of cash outflows from financing activities	(21,334,577,781)	(1,135,926,500)	(1,958,841,126)	(1,109,814,520)
Net cash inflows from financing activities	1,013,300,853	13,918,033,500	19,952,956,874	4,387,185,480
4. Effect of foreign exchange rate fluctuation on cash	25,947,714	(83,795,070)	33,722,656	(22,652,917)
5. Net (decrease) in cash and cash equivalent	(1,034,788,718)	(3,130,547,847)	(916,913,308)	(4,593,344,931)
Add: Cash and cash equivalent at the beginning of the period	4,295,488,052	8,778,193,761	2,770,238,786	8,335,437,789
6. Cash and cash equivalents at the end of the period	3,260,699,334	5,647,645,914	1,853,325,478	3,742,092,858

Chief Executive Officer

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