

# COSL

CHINA OILFIELD SERVICES LIMITED

中海油田服務股份有限公司

(Incorporated in the People's Republic of China as a joint stock limited liability company)  
(Stock Code: 2883.HK)

## ANNOUNCEMENT

COSL hereby announces selected unaudited key operational statistics of the Company for the twelve months ended 31 December 2006, which showed the business development in higher quality. The comparative statistics for the corresponding period of 2005 are also disclosed in this announcement.

China Oilfield Services Limited ("COSL" or the "Company") is pleased to announce unaudited key operational statistics for the twelve months ended 31 December 2006, together with the comparative statistics for the same period of 2005, as follows:

	As at 31 December 2006	As at 31 December 2005	Change (%)
<b>Drilling Activities</b>			
<b>Operating Days (Days)</b>	<b>4,769</b>	<b>4,604</b>	<b>3.6%</b>
Jack-up Rigs	3,839	3,739	2.7%
Semi-submersible Rigs	930	865	7.5%
<b>Utilization Rate (Available Day)</b>	<b>100.0%</b>	<b>98.0%</b>	<b>2.1%</b>
Jack-up Rigs	100.0%	98.9%	1.1%
Semi-submersible Rigs	100.0%	94.2%	6.1%
<b>Utilization Rate (Calendar Day)</b>	<b>90.0%</b>	<b>90.0%</b>	<b>0.0%</b>
Jack-up Rigs	91.3%	93.1%	-1.9%
Semi-submersible Rigs	84.9%	79.0%	7.5%
<b>Well Workover (Team • Day)</b>	<b>13,369</b>	<b>8,483</b>	<b>57.6%</b>

	As at 31 December 2006	As at 31 December 2005	Change (%)
<b>Well Services</b>			
<b>Logging (no. of jobs)</b>	837	698	19.9%
<b>Drilling Fluids (no. of wells)</b>	291	368	-20.9%
<b>Directional Drilling (no. of jobs)</b>	242	210	15.2%
<b>Cementing (no. of wells)</b>	332	249	33.3%
<b>Well Completion (no. of jobs)</b>	1,244	1,241	0.2%

	As at 31 December 2006	As at 31 December 2005	Change (%)
<b>Marine Support and Transportation Services</b>			
<b>Operating Days (Days)</b>	<b>23,668</b>	<b>23,219</b>	<b>1.9%</b>
Standby vessels	13,321	13,193	1.0%
AHTS vessels	6,554	6,411	2.2%
PSV vessels	2,113	2,217	-4.7%
Utility vessels	1,680	1,399	20.1%
<b>Vessel Utilization Rate (Available Day)</b>	<b>99.1%</b>	<b>98.7%</b>	<b>0.4%</b>
Standby vessels	99.7%	99.3%	0.3%
AHTS vessels	98.8%	99.1%	-0.2%
PSV vessels	99.8%	99.5%	0.3%
Utility vessels	94.9%	90.3%	4.6%
<b>Vessel Utilization Rate (Calendar Day)</b>	<b>95.1%</b>	<b>93.6%</b>	<b>1.5%</b>
Standby vessels	96.0%	95.9%	0.1%
AHTS vessels	93.7%	92.4%	1.2%
PSV vessels	96.5%	96.8%	-0.3%
Utility vessels	92.1%	76.6%	15.4%

	As at 31 December 2006	As at 31 December 2005	Change (%)
<b>Geophysical Services</b>			
<b>2D Seismic Data</b>			
Data Collection (km)	45,682	46,166	-1.0%
Data Processing (km)	14,512	15,746	-7.8%
<b>3D Seismic Data</b>			
Data Collection (km <sup>2</sup> )	7,337	3,693	98.7%
Data Processing (km <sup>2</sup> )	4,187	2,843	47.3%

Pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"), the Company voluntarily disclose that it has entered into construction agreement with China Merchants Heavy Industry Co. Ltd. ("CMHI"), upon public tender and evaluation, in relation to the construction of two liftboats.

Liftboat is mainly applied in the development and production of marginal oilfield operation, with a variety of functions including well workover, adjustment well drilling, crushing, acidification and continuous oil pipe operation. Currently, the development of the project is in line with schedule and the first liftboat is expected to be delivered in the first quarter of 2008.

The construction of liftboats is mainly due to strong market demand. The Company considers that the completion of the construction of the liftboats will further enhance the capability of the Company's equipment. Liftboats are commonly used in the sea area of Mexico and have just been introduced in the PRC market. The Company considers that liftboats will be vital for strengthening the cooperation between COSL and its clients in oilfield services."

The construction of the liftboats does not constitute a notifiable transaction for the Company. This announcement is made by the order of the Board. The directors of the Company independently and jointly accept responsibility for the accuracy of this announcement.

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

Beijing, 22 January 2007

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