



# CHINA OILFIELD SERVICES LIMITED

(A joint stock limited company incorporated in the People's Republic of China with limited liability)  
(Stock Code: 2883)

## OVERSEAS REGULATORY ANNOUNCEMENT —FIRST QUARTER RESULTS

This announcement is made pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The First Quarterly Report for 2009 of the Company is prepared in accordance with PRC Accounting Standards for Business Enterprises and has not been audited.

April 29, 2009

*As at the date of this announcement, the executive director of the Company is Mr. Li Yong; the non-executive directors of the Company are Messrs. Fu Chengyu , Yuan Guangyu 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.*



**China Oilfield Services Limited**

**2009 First Quarterly Report**

**Stock Abbreviation: CHINA OILFIELD**

**Stock Code: 601808**

**29 April 2009**

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## §1. Important Notice

- 1.1 The Board of Directors (the “Board”), supervisory committee, and the directors, supervisors and senior management of China Oilfield Services Limited (the “Company”) confirmed that there are no material omissions and misrepresentations or serious misleading statements in this report and accept joint and several responsibility for the truthfulness, accuracy and completeness of the contents of the report.
- 1.2 Present at the meeting: Mr. Andrew Y. Yan (independent non-executive director), due to his other business engagement, was not able to attend the meeting to approve this quarterly report. Mr. Simon X. Jiang (independent non-executive director) was appointed and authorized to attend and vote on his behalf, all other directors of the Company attended the Board meeting.
- 1.3 The First 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, accuracy and completeness of the financial statements in the report.

## §2. Company Profile

### 2.1 Major Accounting Information and Financial Indicators

Currency: RMB

	As at 31 March 2009	As at 31 December 2008	Increase/Decrease(%)
Total assets (million Yuan)	57,851	56,659	2.1
Shareholders' equity (million Yuan)	20,765	19,798	4.9
Net assets per share attributable to shareholders of the Parent (Yuan)	4.62	4.40	5.0
	From the beginning of the year to end of the reporting period (January to March)		Change over the corresponding period of last year (%)
Net cash flows from operating activities (million Yuan)	794		1,664.4
Net cash flow from operating activities per share (Yuan)	0.18		1,700.0
	The Reporting Period (January to March)	From the beginning of the year to end of the reporting period (January to March)	Change over the corresponding period of last year (%)
Net profit attributable to shareholders of the Parent (million Yuan)	960	960	7.7
Basic earnings per share (Yuan)	0.21	0.21	5.0
Basic earnings per share after deduction of extraordinary gain and loss (Yuan)	0.21	0.21	5.0
Weighted average net assets earnings ratio (%)	4.73	4.73	Decreased 0.31%
Ratio of weighted average net assets earnings after deduction of extraordinary gain and loss (%)	4.62	4.62	Decreased 0.37%

**Extraordinary Gain and Loss**

Currency:RMB

Unit: Yuan

Items of extraordinary gain and loss	Amount for the period ended 31 March 2009
Loss on disposal of non-current assets	(680,873)
Subsidy income	110,061
Fair value change in financial liabilities hold for trading	13,272,135
Net amounts of other non-operating income /(loss)	16,131,751
Total of extraordinary gain and loss	28,833,074
Tax effect	4,324,961
Net amount affecting under extraordinary gain and loss	24,508,113

**2.2 Number of shareholders and shareholdings of the top ten holders of unrestricted floating shares not subject to terms of lock-up as at the end of the reporting period**

Total number of shareholders at the end of the reporting period:	A shares: 167,815
	H shares: 263

Unit: Share

Shareholdings of the top ten holders of unrestricted floating shares not subject to terms of lock-up		
Name of shareholders (in full)	Number of unrestricted floating shares not subject to terms of lock-up held as at the end of the reporting period	Class of shares
HongKong Securities Clearing Company Nominees Limited	1,531,651,899	H Shares
China Southern Index Composite Equity Fund	8,860,807	A Shares
ABN AMRO TEDA Sector Select Fund	7,501,968	A Shares
China Southern Shengyuan Dividend Equity Fund	6,605,702	A Shares
ABN AMRO TEDA Capitalization Selection Equity Fund	6,524,351	A Shares
China Southern High Growth Equity Fund	6,342,494	A Shares
Changsheng Tongde Thematic Growth Fund	6,262,143	A Shares
Chang Xin Jinli Trend Equity Fund	6,059,604	A Shares
BOCOM Schrodgers Balanced Investment Fund	5,999,915	A Shares
Dacheng Value Growth Fund	5,949,040	A Shares

Note:

1. Shares held by HongKong Securities Clearing Company Nominees Limited are the total number of H shares of China Oilfield Services Limited held by shareholders which are traded on the trading platform of HKSCC Nominees Limited on behalf of shareholders.

2. Among the aforementioned top ten non-restricted shareholders, China Southern Index Composite Equity Fund, China Southern Shengyuan Dividend Equity Fund and China Southern High Growth Equity Fund are all managed by China Southern Fund Management Co., Ltd., ABN AMRO TEDA Sector Select Fund and ABN AMRO TEDA Capitalization Selection Equity Fund are all managed by ABN AMRO TEDA Fund Management Co., Ltd.. The Company is not aware of the connected relationship between the other non-restricted shareholders.

### 2.3 Operating results review

In the first quarter of 2009, COSL continued to actively implement the integration works after the acquisition. Under the stable and effective operation of the new facilities and the drive of the first quarterly operating revenue of CDE (meaning Awilco Offshore ASA, the Norwegian drilling company acquired by COSL in September 2008, later known as COSL Drilling Europe AS, "CDE"), operating revenue of the Group reached RMB3,928.6 million, representing an increase of 56.9% over RMB2,503.6 million of the same period of last year (January to March), with a net profit of RMB960.2 million, representing an increase of 7.7% compared with the same period last year (January to March), and basic earnings per share of RMB0.21, representing an increase of RMB0.01 compared with the same period last year (January to March).

Operating information of the four main segments as at 31 March 2009 is listed in the following table:

Drilling Services	For the period ended 31 March 2009	For the period ended 31 March 2008	Change
<b>Operating Days Of Drilling Rigs (Days)</b>	<b>1,948</b>	<b>1,181</b>	<b>64.9%</b>
Jack-up Drilling Rigs	1,678	908	84.8%
Semi-submersible Drilling Rigs	270	273	-1.1%
<b>Utilization Rate Of Drilling Rigs (Available Day)</b>	<b>96.6%</b>	<b>100.0%</b>	<b>-3.4%</b>
Jack-up Drilling Rigs	96.1%	100.0%	-3.9%
Semi-submersible Drilling Rigs	100.0%	100.0%	0.0%
<b>Utilization Rate Of Drilling Rigs (Calendar Day)</b>	<b>96.6%</b>	<b>86.5%</b>	<b>10.1%</b>
Jack-up Drilling Rigs	96.1%	83.2%	12.9%
Semi-submersible Drilling Rigs	100.0%	100.0%	0.0%
<b>Operating Days Of Other Drilling Equipment (Days)</b>	<b>940</b>	<b>444</b>	<b>111.7%</b>
Accommodation Rigs (Note1)	180	N/A	N/A
Module Rigs	349	353	-1.1%
Land Drilling Rigs	411	91	351.6%
<b>Utilization Rate Of Other Drilling Equipment (Available Day)</b>			
Accommodation Rigs (Note 1)	100.0%	N/A	N/A
Module Rigs	100.0%	100.0%	0.0%
Land Drilling Rigs	100.0%	100.0%	0.0%
<b>Utilization Rate Of Other Drilling Equipment (Calendar Day)</b>			
Accommodation Rigs (Note1)	100.0%	N/A	N/A
Module Rigs	96.8%	97.0%	-0.2%
Land Drilling Rigs	100.0%	100.0%	0.0%

Well Services	For the period ended 31 March 2009	For the period ended 31 March 2008	Change
<b>Open Hole Wireline Services (no. of jobs)</b>	133	57	133.3%
<b>LWD(Logging While Drilling) Services (no. of jobs)</b>	143	96	49.0%
<b>Cased Hole Logging Services (no. of jobs)</b>	151	107	41.1%
<b>Directional Drilling Engineering Services (no. of jobs)</b>	97	62	56.5%
<b>VSP(Vertical Seismic Profile) Services (no. of jobs)</b>	14	6	133.3%
<b>Drilling Fluids (no. of wells)</b>	44	67	-34.3%
<b>Cementing (no. of wells)</b>	117	92	27.2%
<b>Well Workover (Team • Day)</b>	4,653	3,880	19.9%
<b>Well Completion (no. of jobs)</b>	129	114	13.2%

Marine Support and Transportation Services	For the period ended 31 March 2009	For the period ended 31 March 2008	Change
<b>Operating Days (Days)</b>	<b>6,247</b>	<b>5,978</b>	<b>4.5%</b>
Standby vessels	3,570	3,265	9.3%
AHTS vessels	1,779	1,814	-1.9%
PSV vessels	436	546	-20.1%
Utility vessels	462	353	30.9%
<b>Vessel Utilization Rate (Available Day)</b>	<b>95.3%</b>	<b>99.9%</b>	<b>-4.6%</b>
Standby vessels	96.3%	99.8%	-3.5%
AHTS vessels	97.1%	99.9%	-2.8%
PSV vessels	100.0%	100.0%	0.0%
Utility vessels	100.0%	100.0%	0.0%
<b>Vessel Utilization Rate (Calendar Day)</b>	<b>90.4%</b>	<b>96.6%</b>	<b>-6.2%</b>
Standby vessels	91.2%	97.0%	-5.8%
AHTS vessels	94.1%	94.9%	-0.8%
PSV vessels	96.9%	100.0%	-3.1%
Utility vessels	85.6%	96.2%	-10.6%

Geophysical Services	For the period ended t 31 March 2009	For the period ended 31 March 2008	Change
<b>2D Seismic Data</b>			
Data Collection (km)	7,073	12,115	-41.6%
Data Processing (km)	0	2,910	-100.0%
<b>3D Seismic Data</b>			
Data Collection (km <sup>2</sup> )	1,774	3,644	-51.3%
Data Processing (km <sup>2</sup> )	1,954	2,160	-9.5%

Note 1: The Accommodation Rigs mentioned above are operated by CDE. The corresponding operating information is not included in the the same period of last year.

## §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

The reasons for over 30% fluctuations in the major accounts or financial indicators are as follows:

#### 1. Operating revenue

For the three months ended 31 March 2009, the operating revenue of the Group was RMB3,928.6 million, representing an increase of RMB1,425.0 million or 56.9% compared with RMB2,503.6 million of the same period of last year (January to March), mainly due to increase of RMB857.6 million from the acquisition of CDE. In addition, revenue of COSL increased by RMB567.4 million which was mainly due to the commence of operation of new facilities since the second half of 2008..

#### 2. Operating costs

For the three months ended 31 March 2009, the operating costs of the Group was RMB2,281.5 million, representing an increase of RMB898.3 million or 64.9% compared with RMB1,383.2 million of the same period of last year (January to March), mainly due to the increase of RMB573.8 million in operating costs generated from CDE. Operating costs of COSL increased by RMB324.5 million due to increase in depreciation expense and material consumption caused by commence of operation of new facilities.

#### 3. General and administrative expenses

For the three months ended 31 March 2009, the general and administrative expenses of the Group was RMB101.3 million, representing an increase of RMB44.7 million compared with RMB56.6 million of the same period of last year (January to March), mainly due to the increase of RMB31.6 million in general and administrative expenses generated from CDE, and the increase of various expenses with the rapid expansion of the Company.

#### 4. Financial expenses

For the three months ended 31 March 2009, the financial expenses of the Group was RMB330.7 million, representing an increase of RMB353.2 million compared with RMB-22.5 million of the same period of last year (January to March), mainly due to the increase of RMB204.7 million in financial expenses generated from CDE and COSL Norwegian AS, and the interest expenses of US\$800 million borrowed from the Export-Import Bank of China for the acquisition of CDE.

## **5. Investment income**

For the three months ended 31 March 2009, the investment income of the Group was RMB21.3 million, representing a decrease of RMB37.7 million or 63.9% compared with RMB59.0 million of the same period of last year (January to March), mainly attributable to the decrease of RMB15.0 million in investment income of Eastern Marine Services Ltd. due to lower leasing rate of vessels for the period. In addition, wealth management income for the period decreased by RMB9.2 million.

## **6. Non-operating expenses**

For the three months ended 31 March 2009, the non-operating expenses of the Group was RMB0.9 million, representing an increase of RMB0.8 million or 800.0% compared with RMB0.1 million of the same period of last year (January to March), mainly due to the increase of RMB0.6 million from loss on disposal of fixed assets.

## **7. Notes receivable**

As of 31 March 2009, the Group had no notes receivable, representing a decrease of RMB354.9 million from RMB354.9 million as of the beginning of the year, mainly due to RMB338.3 million of notes receivable from China National Offshore Oil Corporation and RMB16.6 million of notes receivable from other companies fully received.

## **8. Accounts receivable**

As of 31 March 2009, accounts receivable of the Group was RMB3,700.9 million, representing an increase of RMB965.9 million or 35.3% from RMB2,735.0 million as of the beginning of the year, mainly due to the increase of RMB35.1 million in accounts receivable from the acquisition of CDE. The accounts receivable of COSL increased RMB930.8 million due to business development, increase in scope of revenue, increase in revenue from oversea markets and diversification of customers.

## **9. Dividend receivable**

As of 31 March 2009, the Group had no dividend receivable, representing a decrease of RMB16.4 million from RMB16.4 million as of the beginning of the year, mainly due to the 2007 dividend received from China Nanhai-Magcobar Mud Corporation Ltd. in the period.

#### **10. Held-to-maturity investment**

As of 31 March 2009, held-to-maturity investment of the Group was RMB58.7 million, representing a decrease of RMB19.5 million from RMB78.2 million as of the beginning of the year, mainly due to the payment of RMB19.5 million from fixed deposit of CDE in account of agency bank DnBNOR for security of loan to Eksportfinans, a Norwegian export credit institution, in the period.

#### **11. Notes payable**

As of 31 March 2009, notes payable of the Group was RMB521.6 million, representing an increase of RMB154.8 million or 42.2% from RMB366.8 million as of the beginning of the year, mainly due to RMB437.0 million of new notes payable to Offshore Oil Engineering Co., Ltd. for parts of the construction cost of the 400 feet drilling vessel in the period. Meanwhile, RMB282.2 million was paid to Offshore Oil Engineering Co., Ltd. for notes payable in the period.

#### **12. Receipts in advance**

As of 31 March 2009, receipts in advance of the Group was RMB7.2 million, representing a decrease of RMB31.6 million or 81.4% from RMB38.8 million as of the beginning of the year, mainly due to the addition of receipts in advance was RMB56.5 million for the period. Furthermore, a revenue of RMB88.1 million which met the criteria of revenue recognition and was transferred from receipts in advance to operating revenue.

#### **13. Staff cost payable**

As of 31 March 2009, staff cost payable of the Group was RMB290.2 million, representing a decrease of RMB195.7 million or 40.3% from RMB485.9 million as of the beginning of the year. The reason was that the staff annual bonus of 2008 was included in the amount as of the beginning of the year and had been fully distributed in the first quarter. The amount as of the end of the period represented staff remuneration which had not been distributed to the staff.

#### **14. Current portion of non-current liabilities**

As of 31 March 2009, current portion of non-current liabilities of the Group was RMB10,234.9 million, representing an increase of RMB9,291.9 million or 985.4% from RMB943.0 million as of the beginning of the year. The reason was that US\$467 million of US\$1,400 million borrowed from the syndicate for the acquisition of CDE will be matured in January 2010, and the long-term bank borrowings of US\$990 million from CDE will be matured in February 2010. Furthermore, according to the present structure of the assets and liabilities, the Group is taking related measures to ensure the sustainable and steady development of the Company.

### **15. Long-term bank borrowings**

As of 31 March 2009, long-term bank borrowings of the Group was RMB7,924.4 million, representing a decrease of RMB8,431.0 million or 51.5% from RMB16,355.4 million as of the beginning of the year, mainly due to the coming maturity of two long-term bank borrowings and the transfer of the two long-term bank borrowings into current portion of non-current liabilities. Furthermore, CDE borrowed a long-term bank borrowing amounting to US\$100 million in this period.

### **16. Net cash flows from operating activities**

For the three months ended 31 March 2009, net cash flows from operating activities of the Group was RMB794.2 million, representing an increase of RMB749.2 million or 1,664.9% compared with RMB45.0 million of the same period of last year (January to March), mainly due to the increase of cash received from sale of goods and rendering of services with business development of the Company and the revenue generated from CDE.

### **17. Net cash flows from investment activities**

For the three months ended 31 March 2009, net cash outflows from investment activities of the Group was RMB1,947.8 million, representing an increase of RMB1,802.8 million or 1,243.3% compared with RMB145.0 million of the same period of last year (January to March), mainly due to the decrease of RMB1,917.7 million in cash received from disposal of investments increase of RMB73.1 million in cash received from return on investment. In addition, cash paid for acquisition of fixed assets, intangible assets and other long-term assets increased by RMB996.9 million and cash paid for investments decreased by RMB1,059.9 million.

### **18. Net cash flows from financing activities**

For the three months ended 31 March 2009, net cash inflows from financing activities of the Group reached RMB653.8 million, representing an increase of RMB665.2 million compared with RMB-11.4 million of the same period of last year (January to March), mainly due to the borrowings and cash received from state scientific research grants of RMB1,554.7 million and RMB10.4 million in the period respectively, representing an increase of RMB1,565.1 million compared with that of the same period of last year (January to March) in aggregate. In addition, cash paid for repayment of borrowings cash paid for interest expenses and cash paid relating to financing activities for the period increased by RMB666.6 million ,RMB178.6 million and RMB54.7 million compared with the same period of last year (January to March),respectively.

### **3.2 Significant events and analysis on their effects and solutions**

Applicable Not applicable

### **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 by China National Offshore Oil Corporation will not be transferred or managed by others through 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

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

**§4.Appendix**

**Balance Sheet**

31 March 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	Balance at the end of the period	Balance at the beginning of the year
<b>Current assets:</b>				
Cash on hand and at bank	3,892,833,096	4,578,484,264	2,324,594,144	3,042,002,086
Notes receivable	-	354,869,985	-	354,869,985
Accounts receivable	3,700,876,792	2,735,024,686	4,290,390,471	3,316,608,684
Prepayments	1,241,623,269	1,281,548,540	1,196,178,464	1,230,299,627
Dividend receivable	-	16,391,075	-	16,391,075
Interest receivable	3,024,417	4,342,362	2,737,500	3,024,938
Other receivables	273,703,989	306,469,550	594,294,370	527,892,570
Inventories	951,773,900	780,870,653	808,109,615	650,306,338
Current portion of non-current assets	39,125,096	39,117,655	-	-
<b>Total current assets</b>	<b>10,102,960,559</b>	<b>10,097,118,770</b>	<b>9,216,304,564</b>	<b>9,141,395,303</b>
<b>Non-current assets:</b>				
Available-for-sale financial assets	27,246,445	34,317,535	-	-
Long-term equity investments	558,162,820	589,449,106	7,229,171,091	7,216,576,177
Held-to-maturity investment	58,687,649	78,235,318	-	-
Fixed assets	25,402,797,280	24,068,861,634	10,585,003,184	10,289,703,965
Construction-in-progress	16,947,875,266	17,007,742,511	4,807,308,256	4,217,663,329
Intangible assets	490,109,151	533,599,646	318,426,510	324,345,191
Goodwill	3,481,203,360	3,480,541,331	-	-
Long-term deferred expenses	781,511,597	769,252,771	747,544,474	754,460,662
<b>Total non-current assets</b>	<b>47,747,593,568</b>	<b>46,561,999,852</b>	<b>23,687,453,515</b>	<b>22,802,749,324</b>
<b>Total assets</b>	<b>57,850,554,127</b>	<b>56,659,118,622</b>	<b>32,903,758,079</b>	<b>31,944,144,627</b>
<b>Current Liabilities:</b>				
Short-term bank borrowings	6,867,162,337	6,835,596,924	500,000,000	-
Notes payable	521,612,500	366,762,500	521,612,500	366,762,500
Accounts payable	1,734,351,036	2,376,732,369	1,550,001,589	2,042,417,318
Receipts in advance	7,233,108	38,818,223	7,233,108	38,778,581
Staff cost payable	290,191,530	485,875,262	233,931,116	420,782,578
Taxes payable	388,482,887	343,298,457	304,938,984	249,251,395
Interest payable	411,546,781	327,961,642	66,837,499	49,579,424
Other payables	497,585,524	636,027,209	130,650,806	127,892,339
Current portion of non-current liabilities	10,234,908,071	943,020,215	244,000,000	244,000,000

Other current liabilities	53,318,406	54,381,067	53,318,406	54,175,828
<b>Total current liabilities</b>	21,006,392,180	12,408,473,868	3,612,524,008	3,593,639,963
<b>Non-current liabilities:</b>				
Derivate financial instruments	36,035,786	49,307,921	-	-
Long-term bank borrowings	7,924,363,973	16,355,446,023	6,368,720,000	6,367,680,000
Long-term bonds	4,060,084,343	4,028,341,874	1,500,000,000	1,500,000,000
Deferred tax liabilities	2,470,965,285	2,429,001,220	319,319,002	281,827,779
Staff cost payable	5,663,626	5,663,626	-	-
Other non-current liabilities	1,581,628,446	1,585,039,930	-	-
<b>Total non-current liabilities</b>	16,078,741,459	24,452,800,594	8,188,039,002	8,149,507,779
<b>Total liabilities</b>	37,085,133,639	36,861,274,462	11,800,563,010	11,743,147,742
<b>Shareholders' equity:</b>				
Share capital	4,495,320,000	4,495,320,000	4,495,320,000	4,495,320,000
Capital reserve	8,067,488,114	8,074,565,726	8,074,565,726	8,074,565,726
Statutory reserve funds	1,000,055,668	1,000,055,668	1,000,055,668	1,000,055,668
Retained earnings	7,168,221,234	6,208,025,040	7,533,295,935	6,636,246,905
Including: proposed cash dividends	629,344,800	629,344,800	629,344,800	629,344,800
Cumulative translation reserves	34,335,472	19,877,726	(42,260)	(5,191,414)
Equity attributable to equity holders of the Company	20,765,420,488	19,797,844,160	21,103,195,069	20,200,996,885
<b>Total shareholders' equity</b>	20,765,420,488	19,797,844,160	21,103,195,069	20,200,996,885
<b>Total liabilities and shareholders' equity</b>	57,850,554,127	56,659,118,622	32,903,758,079	31,944,144,627

Chief Executive Officer

Liu Jian

 Executive Vice President  
and Chief Financial Officer

Zhong Hua

 General Manager of Accounting  
Department

Chen Linting

## Income Statement

January to March 2009

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

Items	Consolidated		Company	
	Amounts of the current period (January to March)	Amounts of the previous period (January to March)	Amounts of the current period (January to March)	Amounts of the previous period (January to March)
<b>1. Revenue</b>	3,928,595,218	2,503,615,841	2,778,527,407	1,985,569,735
Less: operating costs	2,281,510,172	1,383,169,253	1,497,415,967	1,230,528,562
Business taxes and surcharges	75,727,028	55,183,737	75,534,361	55,163,514
Selling expenses	1,340,821	816,077	599,960	451,783
General and administrative expenses	101,319,971	56,561,779	60,291,825	46,450,003
Financial expenses	330,689,111	(22,517,471)	118,260,975	(14,934,424)
Assets impairment losses	-	-	-	-
Add: Fair value income("-" for losses)	13,272,135	-	-	-
Investment income	21,269,548	58,971,957	21,883,967	37,874,601
Including: Share of profits of jointly-controlled entities	20,122,390	48,947,459	21,883,967	27,850,103
<b>2. Operating profit</b>	1,172,549,798	1,089,374,423	1,048,308,286	705,784,898
Add: Non-operating income	16,475,283	13,052,584	16,475,283	13,052,584
Less: Non-operating expenses	914,344	98,219	914,345	94,430
Including: loss on disposal of non-current assets	680,873	(36,889)	680,873	(36,889)
<b>3. Profit before tax</b>	1,188,110,737	1,102,328,788	1,063,869,224	718,743,052
Less: Income tax expenses	227,914,543	210,978,862	166,820,194	189,051,788
<b>4. Net Profit</b>	960,196,194	891,349,926	897,049,030	529,691,264
Net profit attributable to equity holders of the Parent	960,196,194	891,349,926	897,049,030	581,691,264
Minority interests	-	-	-	-
<b>5. Earnings per share:</b>				
Basic earnings per share	0.21	0.20	N/A	N/A

Chief Executive Officer

Liu Jian

 Executive Vice President  
and Chief Financial Officer

Zhong Hua

 General Manager of Accounting  
Department

Chen Linting

## Cash Flow Statment

January to March 2009

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

Items	Consolidated		Company	
	Amounts from the beginning of the year to end of the reporting period (Jan.-Mar.)	Amounts from the beginning of the year to end of the reporting period Last year (Jan.-Mar.)	Amounts from the beginning of the year to end of the reporting period (Jan.-Mar.)	Amounts from the beginning of the year to end of the reporting period Last year (Jan.-Mar.)
<b>1.Cash flows from operating activities:</b>				
Cash received from sale of goods and rendering of services	3,291,040,415	1,994,978,081	2,133,082,565	1,807,972,334
Tax refund received	110,061	135,908	110,061	135,908
Other cash received relating to operating activities	11,061,356	12,425,546	11,061,356	12,425,546
Subtotal of cash inflows from operating activities	3,302,211,832	2,007,539,535	2,144,253,982	1,820,533,788
Cash paid for goods and services	(1,443,066,478)	(1,053,791,531)	(742,587,415)	(670,163,701)
Cash paid to and for employees	(713,005,004)	(546,108,585)	(672,982,037)	(543,303,934)
Cash paid for taxes	(241,668,327)	(202,727,950)	(154,279,241)	(191,928,394)
Other cash paid relating to operating activities	(110,308,154)	(159,896,260)	(250,720,721)	(315,035,044)
Subtotal of cash outflows from operating activities	(2,508,047,963)	(1,962,524,326)	(1,820,569,414)	(1,720,431,073)
Net cash flows from operating activities	794,163,869	45,015,209	323,684,568	100,102,715
<b>2.Cash flows from investing activities</b>				
Cash received from disposal of investments	263,418,781	2,181,071,861	271,763,300	2,172,518,300
Cash received from return on investment	74,798,525	1,736,354	27,484,597	1,736,354
Cash received from disposal of fixed assets, intangible assets and other long-term assets	1,400,000	165,601	1,400,000	165,601
Cash received on interest income from bank deposits	7,390,733	29,855,476	7,390,733	27,898,721
Other cash received relating to investing activities	-	-	-	-
Subtotal of cash inflows from investing activities	347,008,039	2,212,829,292	308,038,630	2,202,318,976
Cash paid for acquisition of fixed assets , intangible assets and other long-term assets	(2,294,719,724)	(1,297,845,523)	(1,535,232,413)	(1,297,107,980)
Cash paid for investments	(99,885)	(1,060,000,000)	(99,885)	(1,060,000,000)
Subtotal of cash outflows from investing activities	(2,294,819,609)	(2,357,845,523)	(1,535,332,298)	(2,357,107,980)
Net cash outflows from investing activities	(1,947,811,570)	(145,016,231)	(1,227,293,668)	(154,789,004)
<b>3. Cash flows from financing activities:</b>				

Cash received from scientific research grants	10,430,000	-	10,430,000	-
Cash received from new borrowings and bond issue	1,554,673,595	-	500,000,000	-
Subtotal of cash inflows from financing activities	1,565,103,595	-	510,430,000	-
Cash paid for repayment of borrowings	(666,598,364)	-		-
Cash paid for interest expenses	(190,005,161)	(11,382,280)	(64,217,241)	(11,382,280)
Other cash paid relating to financing activities	(54,685,600)	-	(54,685,600)	-
Subtotal of cash outflows from financing activities	(911,289,125)	(11,382,280)	(118,902,841)	(11,382,280)
Net cash flows from financing activities	653,814,470	(11,382,280)	391,527,159	(11,382,280)
<b>4. Effect of foreign exchange rate fluctuation on cash</b>	97,178,275	(52,126,023)	66,437,299	(36,078,696)
<b>5. Net (decrease)/ increase in cash and cash equivalent</b>	(402,654,956)	(163,509,325)	(445,644,642)	(102,147,265)
Add: Cash and cash equivalents at beginning of the period	4,295,488,052	6,797,121,900	2,770,238,786	6,362,919,489
<b>6. Cash and cash equivalents at end of period</b>	3,892,833,096	6,633,612,575	2,324,594,144	6,260,772,224

Chief Executive Officer

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 Executive Vice President  
and Chief Financial Officer

Zhong Hua

 General Manager of Accounting  
Department

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