JUTAL

巨 濤 海 洋 石 油 服 務 有 限 公 司

Jutal Offshore Oil Services Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3303)

2009 INTERIM RESULTS ANNOUNCEMENT

FINANCIAL HIGHLIGHTS

- Turnover was RMB154,742,000, a 8.29% decrease over the same period last year.
- Gross profit was RMB45,430,000, a 26.99% increase over the same period last year.
- Profit attributable to owners of the Company was RMB32,399,000, a 37.81% increase over the same period last year.
- Basic earnings per share was RMB0.065 for the six months ended 30 June 2009 as compared to RMB0.047 in the same period last year, representing a 38.30 % increase.
- The Board resolved that no interim dividend would be declared in respect of the six months ended 30 June 2009.

The Board of Directors (the "Board") of Jutal Offshore Oil Services Limited (the "Company") is pleased to present the unaudited condensed consolidated results for the six months ended 30 June 2009 of the Company and its subsidiaries (collectively referred to as the "Group"), together with the comparative figures for the corresponding period in 2008. These interim financial information have not been audited, but have been reviewed by the auditor and the audit committee of the Company (the "Audit Committee").

JUTAL OFFSHORE OIL SERVICES LIMITED
CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2009

	Note	**Six months ended 30 June**	
		2009	2008
		(Unaudited)	(Unaudited)
		RMB'000	RMB'000
Turnover	3	**154,742**	168,725
Cost of sales and service		**(109,312)**	(132,951)
Gross profit		**45,430**	35,774
Other income	4	**18,494**	6,553
Administrative expenses		**(27,723)**	(21,022)
Other operating expenses		**(2,292)**	(113)
Profit from operations		**33,909**	21,192
Finance costs		**(2,255)**	(2,168)
Share of profit of an associate		**12,916**	5,183
Profit before tax		**44,570**	24,207
Income tax expense	5	**(6,592)**	(697)
Profit for the period		**37,978**	23,510
Attributable to:			
Owners of the Company		**32,399**	23,510
Minority interests		**5,579**	-
		37,978	23,510
Earnings per share	6		
		RMB	RMB
Basic		**6.5CENTS**	4.7CENTS
Diluted		**6.5CENTS**	4.7CENTS

JUTAL OFFSHORE OIL SERVICES LIMITED
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2009

	Six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Profit for the period	**37,978**	23,510
Other comprehensive income:		
Exchange differences on translating foreign operations	**(217)**	(15,427)
Other comprehensive income for the period, net of tax	**(217)**	(15,427)
Total comprehensive income for the period	**37,761**	8,083
Attributable to:		
Owners of the Company	**32,182**	8,083
Minority interests	**5,579**	-
	37,761	8,083

JUTAL OFFSHORE OIL SERVICES LIMITED
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2009

	Note	**30/06/2009 (Unaudited) RMB'000**	31/12/2008 (Audited) RMB'000
Non-current assets			
Property, plant and equipment	8	**213,513**	84,395
Prepaid land lease payments		**914**	951
Goodwill		**197,875**	198,099
Investment in an associate		**192,778**	179,862
Finance lease receivables		**3,194**	3,779
		608,274	467,086
Current assets			
Inventories		**7,411**	7,898
Trade and bills receivables	9	**39,117**	82,316
Gross amount due from customers for contract work		**75,065**	57,668
Prepayments, deposits and other receivables		**42,952**	20,006
Finance lease receivables		**1,129**	1,089
Due from directors		**1,289**	1,781
Due from an associate		**5**	76
Current tax assets		**1,426**	1,480
Pledged bank deposits		**7,320**	4,056
Bank and cash balances		**36,277**	44,063
		211,991	220,433
Current liabilities			
Trade and bills payables	10	**64,127**	68,074
Gross amount due to customers for contract work		**2,123**	1,106
Accruals and other payables	8	**84,813**	24,742
Due to a related company		**1,005**	1,048
Bank loans		**50,000**	53,326
Current tax liabilities		**1,846**	1,265
		203,914	149,561
Net current assets		**8,077**	70,872
Total assets less current liabilities		**616,351**	537,958

JUTAL OFFSHORE OIL SERVICES LIMITED
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2009

	Note	**30/06/2009 (Unaudited) RMB'000**	31/12/2008 (Audited) RMB'000
Non-current liabilities			
Deferred tax liabilities		**17,522**	13,473
NET ASSETS		**598,829**	524,485
Capital and reserves			
Share capital		**5,048**	5,048
Reserves		**553,314**	520,549
Equity attributable to owners of the Company		**558,362**	525,597
Minority interests		**40,467**	(1,112)
TOTAL EQUITY		**598,829**	524,485

JUTAL OFFSHORE OIL SERVICES LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2009

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 24 November 2005 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 21 September 2006.

2. BASIS OF PREPARATION

These condensed financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

These condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2008. The accounting policies and methods of computation used in the preparation of the condensed financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2008 except as stated below.

3. SEGMENT INFORMATION

The Group has four reportable segments as follows:

- Provision of technical supporting and related services for oil and gas industry and sales of equipment and materials.

- Fabrication of oil and gas facilities and oil and gas processing skid equipment.

- Civil engineering business.

- Provision of technical support services for shipbuilding industry.

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The accounting policies of the operating segments are the same as those described in the Group's financial statements for the year ended 31 December 2008. Segment profits or losses do not include other income, administrative expenses, other operating expenses, finance costs and share of profit of an associate. Segment assets do not include goodwill, investment in an associate, finance lease receivables, pledged bank deposits, bank and cash balances and other corporate assets.

3. SEGMENT INFORMATION (CONT'D)

	Provision of technical supporting and related services for oil and gas industry and sales of equipment and materials	Fabrication of oil and gas facilities and oil and gas processing skid equipment	Civil engineering business	Provision of technical support services for shipbuilding industry	Total
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Six months ended 30 June 2009:					
Revenue from external customers	**47,239**	**65,954**	**6,286**	**35,263**	**154,742**
Inter-segment sales	**-**	**-**	**-**	**-**	**-**
Segment profit/(loss)	**17,367**	**14,018**	**(4,482)**	**18,527**	**45,430**
As at 30 June 2009:					
Segment assets	**163,389**	**132,504**	**7,734**	**31,891**	**335,518**
Unallocated assets					**484,747**
Total assets					**820,265**
Six months ended 30 June 2008:					
Revenue from external customers	31,371	72,718	23,092	41,544	168,725
Inter-segment sales	-	-	-	-	-
Segment profit	5,340	12,707	2,074	15,653	35,774
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
As at 31 December 2008:					
Segment assets	29,599	147,247	17,191	29,817	223,854
Unallocated assets					463,665
Total assets					687,519

3. SEGMENT INFORMATION (CONT'D)

	Six months ended 30 June	
	2009	2008
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Reconciliations of segment profit or loss:		
Total profit of reportable segments	45,430	35,774
Unallocated amounts:		
Other income	18,494	6,553
Other corporate expenses	(32,270)	(23,303)
Share of profit of an associate	12,916	5,183
Consolidated profit before tax	44,570	24,207

4. OTHER INCOME

	Six months ended 30 June	
	2009	2008
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Compensation income	**18,000**	-
Finance income from finance lease	**182**	-
Interest income	**167**	800
Net foreign exchange gains	**42**	4,796
Sundry income	**103**	957
	18,494	6,553

5. INCOME TAX EXPENSE

	Six months ended 30 June	
	2009	2008
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax - Hong Kong Profits Tax		
Provision for the period	**-**	559
Over provision in prior period	**-**	(59)
	-	500
Current tax - PRC Enterprise Income Tax		
Provision for the period	**1,947**	3,802
Under provision in prior periods	**596**	20
	2,543	3,822
Current tax - Overseas		
Provision for the period	**-**	3
Deferred tax	**4,049**	(3,628)
	6,592	697

(i) Hong Kong Profits Tax has been provided at 16.5% (2008: 16.5%) based on of the estimated assessable profit for the period.

(ii) The PRC Enterprise Income Tax has been provided on the assessable profit of the Group's subsidiaries in the PRC in accordance with the relevant PRC Enterprise income tax laws and regulations.

(iii) Income tax expense on profits assessable elsewhere have been calculated at the rates prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

6. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the following:

	Six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Earnings		
Earnings for the purpose of calculating basic and diluted earnings per share	**32,399**	23,510
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**498,000,000**	498,000,000
Effect of dilutive potential ordinary shares arising from share options outstanding	**-**	-
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**498,000,000**	498,000,000
	RMB cents	RMB cents
Basic earnings per share	**6.5**	4.7
Diluted earnings per share	**6.5**	4.7

7. DIVIDENDS

The directors of the Company do not recommend payment of any interim dividend for the six months ended 30 June 2009 (2008: Nil).

8. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group disposed of certain property, plant and machinery with a carrying amount of RMB114,000 for proceeds of RMB73,000, resulting in a loss on disposal of RMB41,000.

During the period, the Group acquired property, plant and equipment at a total cost of RMB134,925,000 including RMB54,000,000 which has not been paid as at 30 June 2009 and included in accruals and other payable.

9. TRADE AND BILLS RECEIVABLES

The Group's trading terms with other customers are mainly on credit. The credit terms other than retentions receivable generally range from 30 to 60 days. The credit terms for retentions receivable generally range from 12 to 18 months after the completion of the contracts. Application for progress payment of contract works is made on a regular basis. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management.

The ageing analysis of trade and bills receivables, based on the invoice date, and net of allowance, is as follows:

	30/6/2009	31/12/2008
	(Unaudited)	(Audited)
	RMB'000	RMB'000
0 to 30 days	**23,012**	21,229
31 to 90 days	**11,994**	49,488
91 to 365 days	**1,312**	10,085
Over 365 days	**2,799**	1,514
	39,117	82,316

10. TRADE AND BILLS PAYABLES

The ageing analysis of trade payables, based on the date of receipt of goods and services, is as follows:

	30/6/2009 (Unaudited) RMB'000	31/12/2008 (Audited) RMB'000
0 to 30 days	**17,511**	41,586
31 to 90 days	**14,746**	10,768
91 to 365 days	**28,335**	9,992
Over 365 days	**3,535**	5,728
	64,127	68,074

MANAGEMENT DISCUSSION AND ANALYSYS

BUSINESS REVIEW

Starting from the end of year 2008, the Group has increased its effort in market development, developed new business, broadened customer base and product range, improved its technical ability and quality control of the Group's products, and now the Group has attained certain achievements. In the first half of year 2009, the Group has recorded significant increase in turnover and gross profit for the provision of technical supporting and related services for oil and gas industry and sales of equipment and materials business, at the same time the provision of technical support services for shipbuilding industry business and the fabrication of oil and gas facilities and oil and gas processing skid equipment business has also achieved growth in gross profit. However, the civil engineering business has been seriously affected by the financial crisis, and the timing of recovery of the market is now unpredictable. The Group has substantially reduced the establishment and budget of this department, and maintained the core strength and ability of the department at minimum scale.

Turnover

The Group recorded a total turnover of RMB154,742,000 in the first half of year 2009, representing a decrease of RMB13,983,000 or approximately 8.29% compared with RMB168,725,000 in the corresponding period in 2008. The decrease in turnover was mainly attributable to the deterioration of global economic condition that led to decrease in orders received in the civil engineering business, the fabrication of oil and gas facilities and oil and gas processing skid equipment business and the provision of technical support services for shipbuilding industry business. Turnover of the civil engineering business has decreased from RMB23,092,000 in the corresponding period in last year to RMB6,286,000, representing a decrease of RMB16,806,000 or approximately 72.78%. Turnover of the fabrication of oil and gas facilities and oil and gas processing skid equipment business has decreased from RMB72,718,000 in the corresponding period in last year to RMB65,954,000, representing a decrease of RMB6,764,000 or approximately 9.30%. Turnover of the provision of technical support services for shipbuilding industry business has decreased from RMB41,544,000 in the corresponding period in last year to RMB35,263,000, representing a decrease of RMB6,281,000 or approximately 15.12%. Due to new business development and new customers, the turnover of the provision of technical supporting and related services for oil and gas industry and sales of equipment and materials business has recorded a significant growth compared with the corresponding period in last year, increased from RMB31,371,000 in the corresponding period in last year to RMB47,239,000, representing an increase of RMB15,868,000 or approximately 50.58%.

The table below set out the analysis of turnover by product or service for the six months ended 30 June 2007, 2008 and 2009:

Product / service	**For the six months ended 30 June**					
	2009		**2008**		**2007**	
	RMB’000	**Percentage of total turnover %**	RMB’000	Percentage of total turnover %	RMB’000	Percentage of total turnover %
1. Provision of technical supporting and related services for oil and gas industry and sales of equipment and materials	**47,239**	**30**	31,371	18	35,804	26
2. Fabrication of oil and gas facilities and oil and gas processing skid equipment	**65,954**	**43**	72,718	43	48,707	36
3. Provision of technical supporting services for shipbuilding industry	**35,263**	**23**	41,544	25	23,110	17
4. Civil engineering business	**6,286**	**4**	23,092	14	29,394	21
Total	**154,742**	**100**	**168,725**	**100**	**137,015**	**100**

Cost of Sales and Services

The cost of sales and services of the Group for the six months ended 30 June 2009 amounted to RMB109,312,000, representing a decrease of RMB23,639,000 or approximately 17.78% compared with RMB132,951,000 in the corresponding period in last year. Cost of sales and services comprised of direct costs and manufacturing overheads. The Group calculates the cost of sales and services of projects on an order-by-order basis, while the composition of cost differs for each project, therefore the composition of cost of sales and services varies significantly from project to project. The direct costs in the first half of 2009 amount to RMB90,251,000, representing approximately 82.56% of total cost of sales and services, and a decrease of RMB26,038,000 or approximately 22.39% from RMB116,289,000 in the corresponding period in last year. Direct costs mainly composed of material costs, subcontracting charges and labour costs, which amounted to RMB44,246,000, RMB26,937,000 and RMB22,090,000 respectively, representing approximately 38.05%, 23.16% and 19.00% of total direct costs respectively for the first half of year 2008, and amounted to RMB30,536,000, RMB19,853,000 and RMB28,246,000 respectively, representing approximately 33.83%, 22.00% and 31.30% of total direct costs respectively for the first half of year 2009. Material costs and subcontracting charges have significantly decreased, while labour costs have significantly increased compared with corresponding period in last year. Material costs and subcontracting charges have decreased by RMB13,710,000 and RMB7,085,000 or approximately 30.99% and 26.30% compared with corresponding period in last year. Labour costs has increased by RMB6,156,000 or approximately 27.87% compared with corresponding period in last year. The significant decrease in material costs and subcontracting charges is mainly due to changes in cost structure of the orders received and decreased in turnover during the period. The significant increase in labour costs is mainly due to changes in cost structure of the orders received and increase in headcount. Manufacturing overheads has increased to RMB19,060,000 in the first half of 2009 as compared with RMB16,663,000 in corresponding period in last year, representing an increase of RMB2,397,000 or approximately 14.39%. The increase in manufacturing overheads is mainly due to the new business of the Group.

Gross Profit

In the first half of year 2009, the total gross profit of the Group was increased to RMB45,430,000 from as compared with RMB35,774,000 in the corresponding period in last year, representing an increase of RMB9,656,000. The overall gross profit margin was increased to approximately 29.36% compared to 21.20% in the corresponding period in last year. The increase in installation costs and subcontracting charges in Hong Kong and Macau and the absence of new orders have resulted in loss incurred for the civil engineering business. The gross profit margin of the provision of technical supporting and related services for oil and gas industry and sales of equipment and materials business, the fabrication of oil and gas facilities and oil and gas processing skid equipment business and the provision of technical support services for shipbuilding industry business has shown different level of increment as compared with the corresponding period in last year.

The table below set out the analysis of gross profit by product or service for the six months ended 30 June 2007, 2008 and 2009:

	For the six months ended 30 June								
	2009			2008			2007		
Product / service	**RMB'000**	**Gross profit margin %**	**Percentage of total gross profit**	RMB'000	Gross profit margin %	Percentage of total gross profit	RMB'000	Gross profit margin %	Percentage of total gross profit
1. Provision of technical supporting and related services for oil and gas industry and sales of equipment and materials	**17,367**	**37**	**38**	5,340	17	15	4,865	14	16
2. Fabrication of oil and gas facilities and oil and gas processing skid equipment	**14,018**	**21**	**31**	12,707	17	36	13,035	27	43
3. Provision of technical supporting services for shipbuilding industry	**18,527**	**53**	**41**	15,653	38	43	7,496	32	24
4. Civil engineering business	**(4,482)**	**(71)**	**(10)**	2,074	9	6	5,186	18	17
Total	**45,430**		**100**	35,774		100	30,582		100

Other Income

Other income for the Group was increased from RMB6,553,000 in the corresponding period in last year to RMB18,494,000, which mainly comprised of interest income of RMB167,000, income from finance leases of RMB182,000, compensation income of RMB18,000,000 and sundry income of RMB145,000. The compensation income represents the compensation income received from customer for installation preparation cost and compensation for the period pending the operation of the "Hongli 900" full revolving hoisting vessel before entering into business agreement with the customer.

Administrative Expenses

The administrative expenses of the Group was amounted to RMB27,723,000 for the six months ended 30 June 2009, which mainly comprised of management staff's remuneration of RMB12,345,000, entertainment expenses of RMB2,979,000, travelling expenses of RMB1,303,000, motor vehicle expenses of RMB959,000, insurance expenses of RMB1,098,000, depreciation charges of RMB969,000, operating lease charges of RMB954,000 and allowance for bad and doubtful debts of RMB2,029,000. Total administrative expenses was increased by RMB6,701,000 as compared with RMB21,022,000 in the corresponding period in last year. The increase in administrative expenses mainly due to increase in headcount, salary level and staff welfare for management personnel, and it's active market development strategy.

Finance Costs

In the first half of year 2009, the finance costs of the Group was increased from RMB2,168,000 in the corresponding period in last year to RMB2,255,000, which mainly comprised of bank charges of RMB502,000 and bank loan interest of RMB1,623,000.

Share of Profits of an Associate

The Group held 30% of equity interest in Penglai Jutal Offshore Engineering Heavy Industries Co., Ltd. ("Penglai Jutal"). In the first half of year 2009, the net profit after tax of Penglai Jutal was amounted to RMB43,055,000. The Group's share of profits from the associate was amounted to RMB12,916,000 under the equity method of accounting.

Net Profit Attributable to Owners of the Company

The net profit attributable to owners of the Company was amounted to RMB32,399,000 in the first half of year 2009, representing an increase of approximately 37.81% compared with the corresponding period in 2008. The basic earnings per share was RMB0.065.

Liquidity and Financial Resources

As at 30 June 2009, the working funds (cash on hand and bank deposits) of the Group was amounted to RMB39,123,000 (31 December 2008: RMB44,750,000). The current ratio (current asset / current liabilities) of the Group was 1.04 (31 December 2008: 1.47).

As at 30 June 2009, the total banking facilities of the Group was amounted to RMB230,120,000, of which RMB125,541,000 was utilized and RMB104,579,000 was unutilized. Out of the unutilized banking facilities, RMB75,000,000 was available for raising bank loans. As at 30 June 2009, short term bank loans of the Group was amounted to RMB50,000,000.

Capital Structure

As at 30 June 2009, the share capital of the Company comprised of 498,000,000 ordinary shares (31 December 2008: 498,000,000 ordinary shares).

As at 30 June 2009, the net assets of the Group was amounted to RMB598,829,000 (31 December 2008: RMB524,485,000), comprising non-current assets of approximately RMB608,274,000 (31 December 2008: RMB467,086,000), net current assets of approximately RMB8,077,000 (31 December 2008: RMB70,872,000) and non-current liabilities of approximately RMB17,522,000 (31 December 2008: RMB13,473,000).

Significant Investment

In the first half of 2009, Tianjin Jutal Marine Services Limited ("Jutal Marine"), a subsidiary of the Group, has acquired the "Hongli 900", a full revolving hoisting vessel, for total consideration of RMB125,000,000. Hongli 900 was already in use and the related revenue was included in the financial statements for the current period. As at 30 June 2009, the consideration payable to Hefei Hongzhou Shipping Engineering Co., Ltd. for the acquisition of Hongli 900 was amounted to RMB54,000,000, which will be settled mainly through the operating cash flow from Jutal Marine and funds from raising bank loans.

The Group will continue to search for investment opportunities that are similar to the business of the Group to enhance it's competitiveness. As at the date of this report, there was no confirmed acquisition ongoing.

Assets Pledged by the Group

As at 30 June 2009, except for the bank deposits amounted to RMB7,320,000 that were pledged as security deposits for the issuance of performance bonds, letter of credits and bank acceptance, there were no assets pledged by the Group.

Contingent Liabilities

As at 30 June 2009, the Group did not have any material contingent liabilities.

Employees and Remuneration Policy

As at 30 June 2009, the Group had total 2,098 employees (31 December 2008: 1,913), of which 325 (31 December 2008: 328) were management and technical staff, and 1,773 (31 December 2008: 1,585) were technicians.

The Group determines the remuneration and incentives of employees with reference to the prevailing industry practice, and based on their position, duties and performance. The Group contributes to social security funds including pension fund, medical, unemployment and industrial accident insurances for employees in the PRC, and contributes to mandatory provident fund for employees in Hong Kong pursuant to requirements.

The Group pays close attention to staff development, encourages employees to pursue continuous enhancement and compiles training programs for employees every year.

FUTURE OUTLOOK

The Group will continue to focus on market development in the second half of the year. In order to enhance the core competitiveness, the Group has established the design center and recruited engineers to pursue for increase in value of services and manufacturing. In line with the pace of exploitation of offshore oil and gas in the PRC, the Group will actively develop its business in the relevant geographical areas and industries, broaden and consolidate our customer base, and further improve the effectiveness and quality of our products and services.

DIRECTORS REPORT AND CORPORATE GOVERNANCE

INTERIM DIVIDEND

The Board does not recommend payment of any interim dividend for the six months ended 30 June 2009.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURE

Save as the options granted to the directors of the Company under the Share Option Scheme, no time during the period was the Company, or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire by means of acquisition of shares in, or debt securities, including debentures, of the Company or any other body corporate.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2009.

CORPORATE GOVERNANCE

The Company had adopted the Code on Corporate Governance Practices (the "Code Provisions") introduced in Appendix 14 of the Listing Rules by the Stock Exchange to maintain a high standard of corporate governance so as to improve the corporate transparency and protect the interests of the Company's shareholders. The Company has complied with the Code Provisions in the reporting period.

DIRECTORS' SECURITIES TRANSACTIONS

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") set out in Appendix 10 of the Listing Rules as its own code of conduct regarding Directors' securities transactions.

Having made specific enquiry of all Directors, the Directors have complied with the required standard set out in the Model Code regarding directors' securities transactions in the reporting period.

AUDIT COMMITTEE

The Company has established an audit committee in compliance with the Rule 3.21 of the Listing Rules. The Audit Committee comprises four independent non-executive Directors. The primary duties of the Audit Committee (inter alia) are to review the financial reporting process and internal control system of the Group, and to make proposals to the Board as to appointment, renewal and resignation of the Company's external auditor and the related remuneration and appointment terms. The Audit Committee has reviewed and approved the unaudited financial reports of the Group for the period ended 30 June 2009 and is of the opinion that such statements comply with the applicable accounting standards, and the Listing Rules and legal requirements, and that adequate disclosures have been made.

OTHER COMPLIANCE

The Company has complied with Rules 3.10(1) and 3.10(2) of the Listing Rules and appointed four independent non-executive Directors including one with financial management expertise, details of their biographies were set out in the 2008 Annual Report and the announcement dated 27 May 2009 of the Company.

By Order of the Board
Jutal Offshore Oil Services Limited
Wang Lishan
Chairman

Hong Kong, 18 September 2009

As at the date of this announcement, the executive Directors are Mr. Wang Lishan (Chairman), Mr. Jiang Dong, Mr. Cao Yunsheng and Mr. Chen Guocai; and the independent non-executive Directors are Mr. Su Yang, Mr. Lan Rong, Mr. Xiang Qiang and Mr. Gao Liangyu.