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Petro-king **百勤油服**

PETRO-KING OILFIELD SERVICES LIMITED

百勤油田服務有限公司

(Incorporated in the British Virgin Islands with limited liability)

(Stock Code: 2178)

VOLUNTARY ANNOUNCEMENT IN RELATION TO THE ENTERING INTO OF A STRATEGIC COOPERATION FRAMEWORK AGREEMENT

This announcement is made by Petro-king Oilfield Services Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

The board (“**Board**”) of directors (“**Directors**”) of the Company is pleased to announce that Petro-king Oilfield Technology Ltd.* (“**Petro-king Shenzhen**”, 深圳市百勤石油技術有限公司), a wholly-owned subsidiary of the Company, has entered into a strategic cooperation framework agreement (the “**Framework Agreement**”) with Petro-king Energy Technology (Huizhou) Co., Ltd.* (“**Petro-king Huizhou**”, 百勤能源科技(惠州)有限公司) and The Institute of Urban Underground Space and Energy Studies of the Chinese University of Hong Kong, Shenzhen* (“**the Institute**”, 香港中文大學(深圳)地下空間及能源研究院) on 3 December 2021.

THE FRAMEWORK AGREEMENT

Pursuant to the Framework Agreement, the parties to the Framework Agreement shall cooperate in the exploration, utilisation and power generation of underground energy, the development of the related technology and the production of related equipment.

The Institute shall be responsible for the geological studies, wide area electromagnetic exploration, experimental testing and physical and numerical simulation in relation to the exploration and utilisation of underground energy.

Petro-king Shenzhen shall be responsible for the development of drilling, well completion and fracturing technology, power storage technology, power generation and power application technology and waste water treatment technology in relation to underground energy.

Petro-king Huizhou shall be responsible for the development and production of tools and equipment in relation to the utilisation of underground energy.

The parties to the Framework Agreement shall co-operate with the Chenzhou Municipal Government of Hunan Province in the People's Republic of China (the "PRC") in the construction of Chenzhou Rucheng District Underground Energy Power Generation Zero Carbon Industry Park.

INFORMATION ABOUT PETRO-KING HUIZHOU

Petro-king Huizhou is a company established in the PRC which is approximately 38.60% owned by the Group. Petro-king Huizhou is principally engaged in the research and development, production and trading of oilfield and gas field related products.

INFORMATION ABOUT THE INSTITUTE

The Institute is a research institute established in the PRC which focuses on the development of underground space safety and control, urban strategic reserve energy and marine cities strategic materials.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FRAMEWORK AGREEMENT

The Board always actively explores new business opportunities in order to diversify its business. In view of the global trend in environmental protection and the PRC national policy in the increasing use of renewable energy to reduce carbon emission, the Board believes that the Framework Agreement presents the Group with the opportunity to tap into the renewable underground energy utilisation and power generation business, which may enable the Group to broaden its income stream in the future and is in the interests of the Company and its shareholders as a whole.

Shareholders of the Company and potential investors should note that the Framework Agreement is not legally binding and merely provides a strategic cooperation framework among Petro-king Shenzhen, Petro-king Huizhou and the Institute. Further announcement(s) will be made by the Company as and when appropriate in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Board wishes to state that no forecast or prediction of revenue or profits of the Group has been made in relation to the Framework Agreement.

Shareholders of the Company and potential investors are reminded to exercise caution when dealing in the shares of the Company.

By order of the Board
PETRO-KING OILFIELD SERVICES LIMITED
Wang Jinlong
Chairman

* *For identification purpose only*

Hong Kong, 7 December 2021

As at the date of this announcement, the executive Directors are Mr. Wang Jinlong, Mr. Zhao Jindong and Mr. Huang Yu; the non-executive Director is Mr. Wong Shiu Kee; and the independent non-executive Directors are Mr. Leung Lin Cheong, Mr. Tong Hin Wor and Mr. Xin Junhe.