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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 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 (the “**Board**”) of directors (the “**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 cooperation framework agreement (the “**Framework Agreement**”) with Ganzizhou Yuanwei New Energy Development Co., Ltd.* (“**Yuanwei New Energy**”, 甘孜州遠威新能源開發有限責任公司) on 18 January 2022.

THE FRAMEWORK AGREEMENT

Pursuant to the Framework Agreement, the parties to the Framework Agreement shall cooperate in the establishment of a project company (the “**Project Company**”) for the construction and utilisation of the underground energy in four high temperature underground thermal fields located in the Tibetan Autonomous Prefecture of Garze of Sichuan Province of the Peoples’ Republic of China (the “**PRC**”).

Yuanwei New Energy shall be responsible for the operation of the Project Company.

Petro-king Shenzhen shall be responsible for the provision of technical support services in relation to the exploration, development and utilisation of underground thermal energy for the Project Company. Petro-king Shenzhen shall also be responsible for the maintenance and operation of the underground energy system of the Project Company. Petro-king Shenzhen shall also assist the Project Company in the compilation of business plans, introduction of strategic investors and downstream utilisers. Subject to the same conditions, Petro-king Shenzhen shall have priority to be engaged as the supplier of the Project Company for the drilling and well completion service and mining tools and equipment for the underground energy project.

INFORMATION ABOUT YUANWEI NEW ENERGY

Yuanwei New Energy is a company established in the PRC which is principally engaged in underground heat supplies, underground thermal power generation and research of underground energy technology. Yuanwei New Energy is the owner of one mining right and three exploration rights of four high temperature underground thermal fields in the Tibetan Autonomous Prefecture of Garze of Sichuan Province of the PRC.

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 cooperation framework between Petro-king Shenzhen and Yuanwei New Energy. 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

Hong Kong, 18 January 2022

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

* *For identification purpose only*