

Major Contract Announcement of Offshore Oil Engineering Co., Ltd.

Important Notes

The Board of Directors and all the directors of the Company pledge that the announcement contains no false records, misleading statements or major omissions, and bear joint and several liabilities for the authenticity, accuracy and integrity of the announcement.

Important Notes:

- Type and amount of contract: awarded with the coastal onshore LNG terminal project in China, with a contract amount of approximately RMB 4.378 billion.
- Date of signing: November 26, 2019. The Contract came into effect upon the date of signing.
- Term of contract performance: The Contract shall be performed from the effective date of the Contract to the date when the rights and obligations of both parties under the Contract are fulfilled.
- Impact on the current performance of listed companies: The revenue of the Project is expected to account for about 3% of the contract amount in 2019 without material impact on current performance.
- Special risk notes: not applicable.

I. Deliberation Procedure

According to the articles of association of Offshore Oil Engineering Co., Ltd. (hereinafter referred to as "COOEC " or "the Company") and the authority specified in the Rules on the Work of the President, the Company's production and operation contract has been reviewed and approved by the management.

II. Contract Object and Other Party of the Contract

1. Contract Object

On November 26, 2019, the Engineering, Management, Procurement and Construction (EMPC) Contract of Tangshan LNG Terminal Phase I Project was signed by COOEC (the Lead Contractor), and the Caofeidian Xintian LNG Co., Ltd. (the Employer), with a contract amount of approximately RMB 4.378 billion.

The Tangshan LNG Project is located at Caofeidian Industrial Zone, Tangshan City, Hebei Province. According to the Contract, the Company will construct four 200,000 m² storage tanks, and related supporting works for some wharf, trestle, process area, tanker loading area and other areas in Phase I of the Project, and provide engineering, management, procurement, construction, commissioning and other related service during implementation of the Project.

2. Other Party of the Contract

Party A, Caofeidian Xintian LNG Co., Ltd., is a state-owned enterprise controlled by Hebei Provincial Government, and owns 51% of the interests of the Tangshan LNG Project.

III. Main Terms of Contract

1. The content of the Contract includes but not limited to: management of the Project in construction stage; engineering management of works; procurement of equipment and materials; construction and management of terminal works; commissioning, trial run/operation and handover.

2. Construction Period

The commencement date shall be subject to the commencement date specified in the Supervisor's commencement notice. The mechanical completion period shall be 1,127 calendar days. The Project is initially expected to be completed by the end of 2022.

3. The contract amount is approximately RMB 4.378 billion.

4. Payment Method

To be paid according to project milestones. The proportion of Party A's advance payment shall be 10% of the contract amount.

5. Place and Method of Construction

To be implemented at project site: Caofeidian Industrial Zone, Tangshan City.

6. Effective Conditions and Time of the Contract

The Contract came into effect upon the date of signing, and shall be valid until the performance is completed.

7. Liability for Breach of the Contract

Any breach of the Contract by one party or both parties shall constitute a breach. The default party shall bear the liability for breach of the Contract and compensate for the loss incurred to the other party.

8. Dispute Settlement

To be settled through negotiation. If not, a lawsuit shall be filed before the People's Court with jurisdiction at Shijiazhuang City where the Contract was signed.

IV. Impact of Contract Performance on Listed Companies

The Contract is the LNG project contract in China with the largest contract amount undertaken by the Company so far. It is the result of the Company's continuous efforts to strengthen the construction of LNG project capacity and further expand the LNG market in China. The implementation of the Project will provide favorable support for the Company's future workload and further enhance the Company's influence in the LNG project market in China.

The revenue of the Project is expected to account for about 3% of the contract amount in 2019 without material impact on current performance of the Company.

V. Risk Analysis of Contract Performance

The Company has relatively rich experience in construction and management of LNG terminal. The existing technologies and resources of the Company could meet the

implementation requirements of the Project. The contract performance has relatively small risks in market, policy, law, security and other aspects. The Company will control risks through strict project management to ensure the Project is completed on schedule.

VI. List of Documents for Further Reference

Contract text

The Announcement is hereby made.

Board of Directors of Offshore Oil Engineering Co., Ltd.

November 28, 2019