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## **COSL Drilling Pan Pacific Limited signs collaboration agreement to assist in securing projects**

Marginal Field Development Company (MFDevCo) is pleased to announce that it has entered into a collaboration agreement with COSL Drilling Pan Pacific Limited ('CDPL') that will allow it to secure projects more cost-effectively, earlier and with less upfront capital.

CDPL, headquartered in Singapore, operates a fleet of 8 high specification jack-up drilling rigs and is the international branch of China Oilfield Services Limited ('COSL'), the leading integrated oilfield services provider in the offshore China market with core business segments including geophysical services, drilling services, well services, marine support and transportation services. The collaboration agreement allows MFDevCo to work on a 'one stop shop' basis with CDPL, as a Marginal Field Delivery Consortium Partner, to access the entire range of services and increase efficiencies, with CDPL offering beneficial commercial terms that will expedite MFDevCo's entry into projects and facilitate earlier development.

Specific details of the commercial arrangement will be agreed on a project by project basis, to allow project-specific timelines and conditions to be accounted for; however in general terms CDPL have committed to offering delayed invoice and payment terms to MFDevCo, which in certain circumstances and on terms mutually agreed will have the effect of deferring a significant portion of the cost of the rig until after hydrocarbon production has commenced. In other respects, the arrangement will reflect normal industry terms, but the commitment made by CDPL will allow MFDevCo in turn to make commitments on certain work required to secure access to projects at an earlier stage than would otherwise be possible and having raised significantly less capital prior to commencement.

In return for the commitment they are making, CDPL will have the exclusive first option to provide drilling and other core COSL services on projects that MFDevCo enters into, provided that there is no conflict with existing members of MFDevCo's Consortium and that acceptable terms structured as outlined above can be agreed. This therefore forms the basis for a long term working relationship with the potential for increasing efficiencies in service provision and working practices going forward.

In addition, MFDevCo and CDPL have agreed to investigate the possibility of additional services (potentially including fabrication) being provided, through CDPL, by sister companies, where such services can be offered on competitive terms and no conflict exists with other members of the Consortium.

Alison Pegram, Managing Director of MFDevCo, commented, **"Signing this agreement with CDPL is a major milestone for us as we move to complete negotiations on our initial target projects. The marginal field projects that we are focusing on are particularly well suited to this type of commercial arrangement, as there is no exploration risk, and CDPL, in this case, are therefore able**

to defer receipt of certain elements of their revenues with confidence. This agreement demonstrates what is possible, when working with innovative and committed partners, and we will continue to consider all opportunities to work in different ways where doing so advances projects and benefits all those involved.”

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**Note to Editors:**

**Marginal Field Delivery Company (formerly ABT Oil and Gas Ltd) ([www.mfdevco.com](http://www.mfdevco.com))**

Marginal Field Delivery Company (‘MFDevCo’) focuses on maximising recovery from the vast, undeveloped hydrocarbon resources contained within marginal fields worldwide, utilising appropriate re-deployable solutions to transform these undervalued assets. MFDevCo manages the entire lifecycle of marginal field projects from opportunity screening, suitability assessment and financing through engineering to production and decommissioning.

**COSL Drilling Pan Pacific Limited**

COSL Drilling Pan Pacific Limited is the international branch of China Oilfield Services Limited (COSL) for the Jack-up Division and operates a fleet of 8 high specification jack-ups.

COSL is the leading integrated oilfield services provider in the Asian offshore market and a majority-owned subsidiary of the CNOOC (China National Offshore Oil Corporation) Group. Its services cover each phase of offshore oil and gas exploration, development and production. Its four core business segments are geophysical services, drilling services, well services, and marine support and transportation services.

COSL as a whole possesses the largest fleet of offshore oilfield services facilities in China. To date, COSL operates and manages thirty-three jack-up rigs, twelve semi-submersible rigs and five modular rigs, 2 accommodation rigs and 6 land drilling rigs.

In addition, COSL also owns and operates the largest and most diverse fleet in offshore China, including more than 130 working vessels, 3 oil tankers, 5 chemical carriers, 9 seismic vessels, 4 surveying vessels, and a vast array of modern facilities and intrinsically developed and patented equipment for logging, drilling fluids, directional drilling, cementing and well work-over services,