

Announcement of Offshore Oil Engineering Co., Ltd. on Dragging of Anchor of “Offshore Oil 202” during Avoidance of Typhoon

Special 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.

Offshore Oil Engineering Co., Ltd. (Hereinafter referred to as “the Company”) always attaches high importance to QHSE system construction, practically observes the concept of “people oriented and treasuring life” in daily production, operation and management, and pays special attention to the safety management of offshore construction.

This year, No. 22 violent typhoon “Mangkhut” landed onto the south sea area of China. The Company made good preparations for prevention and evacuation according to the acquired weather forecasting beforehand. All ships working at the South China Sea had been evacuated to safe area and anchored for avoiding typhoon.

About 10:50 on September 16, 2018, dragging of anchor occurred to “Offshore Oil 202” (1,200 t pipe-laying floating crane, without independent power) of the Company due to heavy wind during its avoidance of Typhoon Mangkhut at Daya Bay. At 12:17, void compartment at the right side of “Offshore Oil 202” stern sat on the seabed, about 180 m from the shoreside. Upon the near-miss, the Company immediately sent out message for help, launched the emergency procedure and organized rescue. About 15:30, “Offshore Oil 202” was evacuated to the safe area at the shoreside, with several tug boats guarding on site.

At 5:15 on September 17, 2018, “Offshore Oil 202” was anchored on the anchorage ground of Daya Bay, indicating the ship was safe and the danger was removed.

At present, a ballast tank of the ship may be damaged, but all 73 crews are all safe with no environmental pollution accident. The Company has bought Property All Risks Insurance for the ship.

Other ships and operation of the Company are all normal.

Please be aware of investment risks.

The Announcement is hereby made.

Board of Directors of COOEC

September 17, 2018