

UNLEASHING THE VALUE RESIDENT IN OUR BUSINESS



ASIAN OILFIELD SERVICES LIMITED
19TH ANNUAL REPORT, 2011-12

Forward-looking statement

In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions.

We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion on future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions.

Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

ACROSS THE PAGES...

- 02 Corporate Identity
- 13 CEO Overview
- 14 Management discussion and analysis
- 19 Board of Directors
- 22 Directors' Report
- 27 Report on Corporate Governance
- 42 Financial Section



Some of the world's largest oil fields are in a state of decline. The world needs more oil to grow.

These two statements underline a critical need to find more oil deposits.

Asian Oilfield Services is engaged in providing reservoir imaging services to customers across Asia.

Helping them locate oil and strengthen the efficiency of their drilling operations.

Vision

Asian Oilfield Services aims to be recognised and respected for the quality of its products, efficiency of its operations, customer satisfaction and goodwill generated from its service.

Our Company, employees and shareholders shall grow and prosper by gaining the loyalty of customers and market-share.

Core values

Trust: We shall conduct our business with customers, stakeholders and employees with integrity, honesty and transparency.

Quality: We shall constantly implement industry-wide practices while shunning poor ones, and keep incorporating the latest technologies to improve the quality of our products and services.

Performance: We shall strive to deliver our services most efficiently and competitively by employing a highly motivated workforce, assets of the highest standards upgraded with the latest technology and implementing the best processes and systems in the industry.

Teamwork: We shall share ideas, resources and talents and help each other in achieving our common aim of maximising stakeholder value and customer satisfaction.

Milestones



Our business

■ Incorporated in 1992, Asian Oilfield Services is engaged in providing geophysical, drilling and well services to customers – leveraging their rich experience of two decades.

■ The management of the Company was acquired by Samara Capital, an entrepreneurially run India focused private equity firm which invests in Emerging Indian Companies (EICs) –that are poised for rapid transformation, have strong entrepreneurial minded management team and a favorable industry context.

■ The Company's shares are listed and actively traded on the Bombay Stock Exchange.

■ The Company enjoyed a market capitalisation of Rs. 457 million as on March 31, 2012

■ The Company is headquartered in Vadodara and its corporate office in Gurgaon and until now has provided services across the Indian subcontinent.

Our services

Asian Oilfield Services provides a comprehensive

portfolio which includes the following:

- 2D and 3D seismic data acquisition
- Seismic data processing
- Topography survey
- Core drilling for mineral and CBM exploration
- Wire line logging
- Directional core drilling for shallow horizons

Our performance, 2011-12

- Gross income stood at Rs. 458.05 million against Rs. 672 million in 2010-11
- EBITDA stood at Rs.(16.75) million against Rs. 99.37 million in 2010-11
- Reported a net loss of Rs. 90.44 million (Rs. 68.29 million in 2010-11)
- Net worth stood at Rs. 831.92 million against Rs. 922.36 million in 2010-11.
- Gross block stood at Rs. 663.99 million against Rs. 645.82 million in 2010-11

Executed 2D seismic contract in North East India

2007

2008

Samara Capital invested in the Company

- Successfully executed first 3D seismic contract
- Commenced mineral coring operations

2010

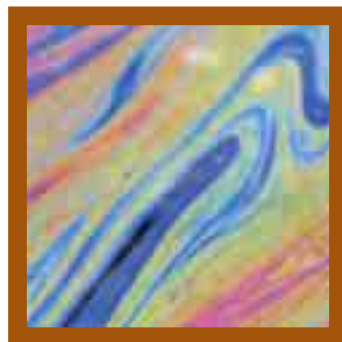
2011

Restructured the Company with a new executive team

- Initiated CBM coring and drilling business
- Embarked on a new strategy to globalise its business

2012





FROM DATA CAPTURE TO RESERVOIR IMAGING.

FOR NEARLY TWO DECADES, ASIAN OILFIELD WAS AN INDIAN SEISMIC DATA ACQUISITION, PROCESSING AND INTERPRETATION COMPANY.

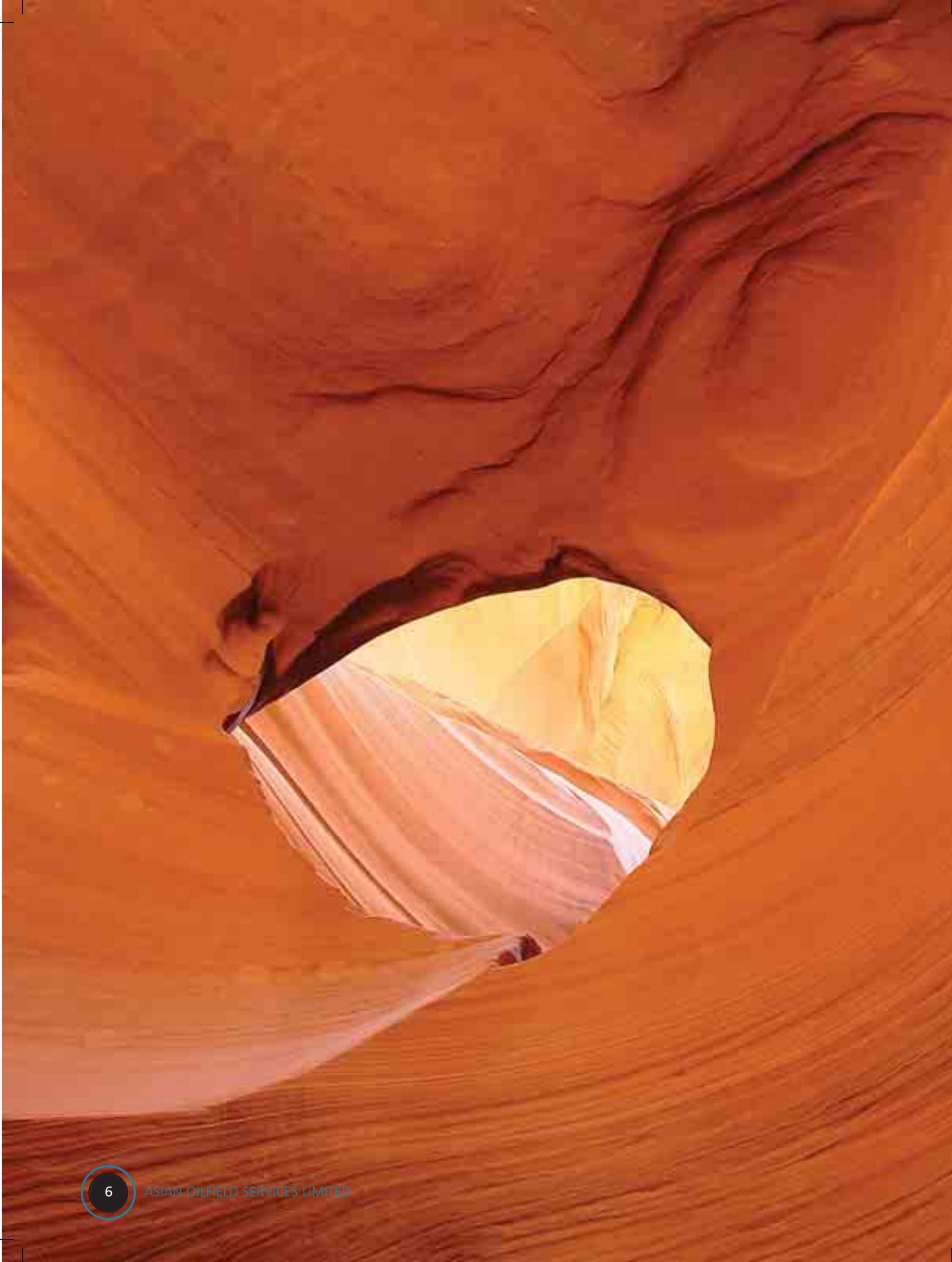
In 2010, Samara Capital acquired a controlling stake of the management of the Company with a view to position the Company as a holistic services organisation.

The Company recognised the increasing need among upstream customers to engage vendors who do not just provide seismic data but process, analyze and interpret this data with the objective to guide informed drilling decision making.

On the one hand, the Company is extending from mere data capture to reservoir imaging. On the other, the Company has restructured its management with qualified professionals and processes.

The result is that the Company is now present across the value chain: from data acquisition to interpretation and processing.

Helping enhance the value of the customer's spending.



FROM A COUNTRY TO A CONTINENT.

FOR NEARLY TWO DECADES, ASIAN OILFIELD WAS LARGELY FOCUSED ON SEISMIC EXPLORATION OPPORTUNITIES COMING OUT OF INDIA.

The new management restructured the Company's focus to capitalise on sectoral opportunities across Asia.

There is a growing focus on oil exploration in Asia for the following reasons:

- Significant oil sector investments in Asia
- Significant opportunities opening up in Asian countries
- A number of governments realizing that the imported cost of oil is affecting their country's balance of payments with a need to decrease the import of oil.

Asian Oilfields will focus on Asia's geo-strategic and energy-rich regions on the one hand and vibrant dynamic economies on the other.

FROM ASSET-HEAVY TO ASSET-LIGHT.

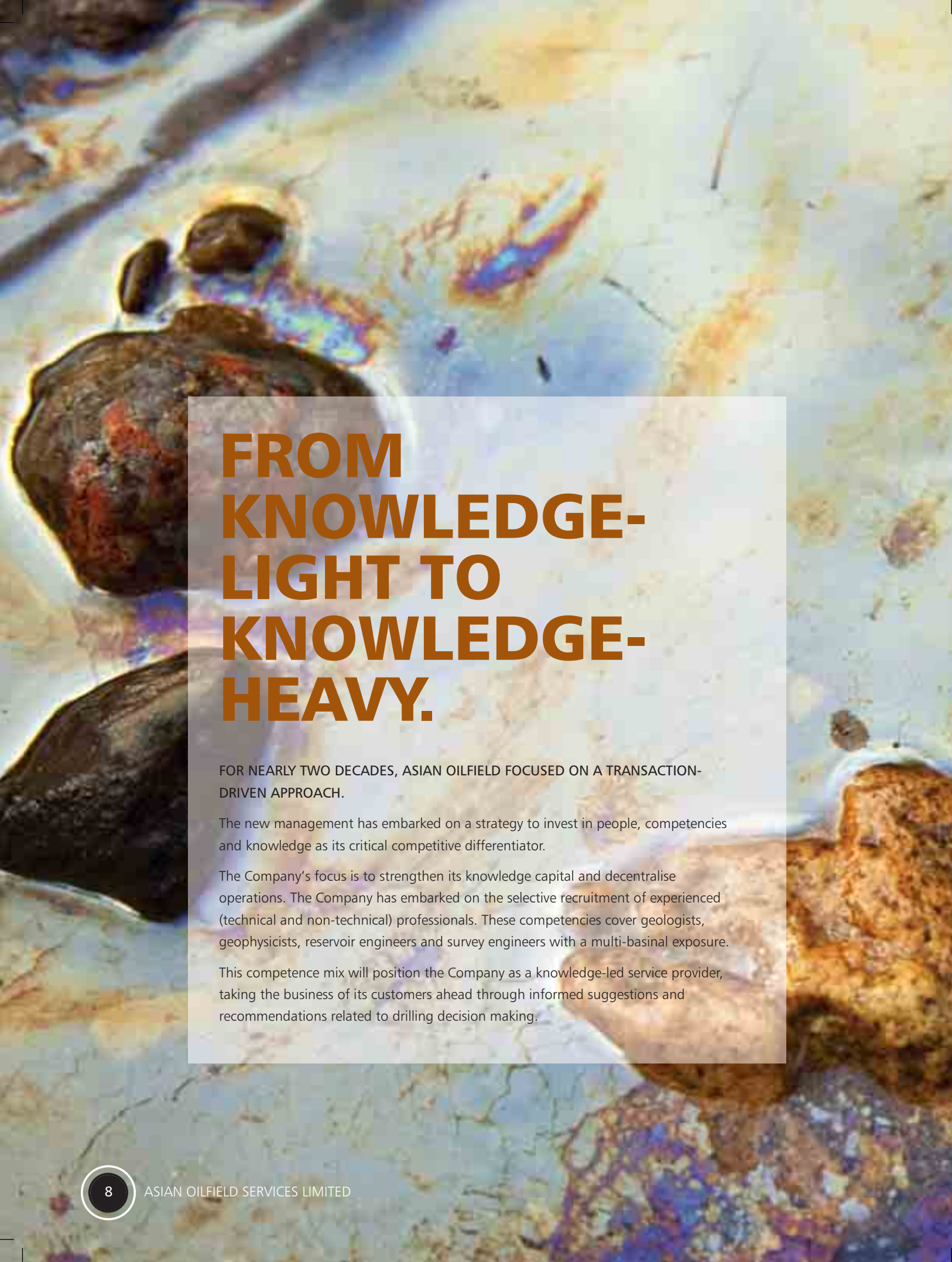
FOR NEARLY TWO DECADES, ASIAN OILFIELD INVESTED IN ITS GROSS BLOCK IN A TECHNOLOGY-EVOLVING BUSINESS, MAKING IT VULNERABLE TO CHANGES BEYOND ITS CONTROL.

The new management has embarked on a strategy to reduce the cost of asset engagement as its first step towards competitiveness.

The Company is leveraging the benefit of low-cost leasable assets in an industry currently marked by relatively low asset utilisation on the one hand and technology changes on the other. Besides, this approach will make it possible for the Company to lease assets across international geographies, reducing the turnaround time in responding to new orders and reducing logistic costs.

When the business acquires a critical mass, the Company will graduate to asset ownership and investment in cutting-edge technologies. This will enable the Company to generate a superior return on its gross block on the one hand and keep its assets relevant across the years.

This approach will make it possible for the Company to survive industry downtrends and maximise its rebound during industry recoveries.



FROM KNOWLEDGE- LIGHT TO KNOWLEDGE- HEAVY.

FOR NEARLY TWO DECADES, ASIAN OILFIELD FOCUSED ON A TRANSACTION-DRIVEN APPROACH.

The new management has embarked on a strategy to invest in people, competencies and knowledge as its critical competitive differentiator.

The Company's focus is to strengthen its knowledge capital and decentralise operations. The Company has embarked on the selective recruitment of experienced (technical and non-technical) professionals. These competencies cover geologists, geophysicists, reservoir engineers and survey engineers with a multi-basinal exposure.

This competence mix will position the Company as a knowledge-led service provider, taking the business of its customers ahead through informed suggestions and recommendations related to drilling decision making.