



# **CNOOC LIMITED**

# **中国海洋石油有限公司**

## **2015 First Quarter Review**

**Financial and Operating Highlights**  
**for the Quarter Ended March 31, 2015**



# Disclaimer

This presentation includes “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, including statements regarding expected future events, business prospectus or financial results. The words “expect”, “anticipate”, “continue”, “estimate”, “objective”, “ongoing”, “may”, “will”, “project”, “should”, “believe”, “plans”, “intends” and similar expressions are intended to identify such forward-looking statements. These statements are based on assumptions and analyses made by the Company in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors the Company believes are appropriate under the circumstances. However, whether actual results and developments will meet the expectations and predictions of the Company depends on a number of risks and uncertainties which could cause the actual results, performance and financial condition to differ materially from the Company’s expectations, including those associated with fluctuations in crude oil and natural gas prices, the exploration or development activities, the capital expenditure requirements, the business strategy, whether the transactions entered into by the Group can complete on schedule pursuant to the terms and timetable or at all, the highly competitive nature of the oil and natural gas industries, the foreign operations, environmental liabilities and compliance requirements, and economic and political conditions in the People’s Republic of China. For a description of these risks and uncertainties, please see the documents the Company files from time to time with the United States Securities and Exchange Commission, including the 2014 Form 20-F filed on 22 April 2015.

Consequently, all of the forward-looking statements made in this presentation are qualified by these cautionary statements. The Company cannot assure that the results or developments anticipated will be realized or, even if substantially realized, that they will have the expected effect on the Company, its business or operations.



# Overview

## Operation Highlights

- Net production of 118.3 mm boe, up 9.4% YoY
- 3 new discoveries and 12 successful appraisal wells
- JZ9-3 comprehensive adjustment and KL10-1 came on stream, and other new projects progressed smoothly

## Financial Results

- Oil and gas sales revenues of RMB 35.5 billion, down 39.9% YoY
- Capex of RMB 15.9 billion, down 15.7% YoY
- Realized oil price of US\$ 53.40/bbl, down 49.0% YoY
- Realized gas price of US\$ 6.68/mcf, up 5.5% YoY



# Production Summary

2015Q1\*

2014Q1\*

	Crude and Liquids (mm bbls)	Natural Gas (bcf)	Total (mm boe)	Crude and Liquids (mm bbls)	Natural Gas (bcf)	Total (mm boe)
<b>China</b>						
Bohai	41.3	12.3	43.3	34.8	13.0	37.0
Western South China Sea	8.7	27.0	13.4	8.5	31.6	13.9
Eastern South China Sea	16.6	16.0	19.3	13.3	13.6	15.6
East China Sea	0.2	4.5	1.0	0.2	2.7	0.6
<b>Subtotal</b>	<b>66.9</b>	<b>59.8</b>	<b>76.9</b>	<b>56.8</b>	<b>60.9</b>	<b>67.1</b>
<b>Overseas</b>						
Asia (Ex. China)	4.1	11.1	6.1	2.9	11.8	5.0
Oceania	0.1	3.7	0.9	0.3	6.6	1.6
Africa	7.5	-	7.5	7.2	-	7.2
North America (Ex. Canada)	5.1	11.3	6.9	4.0	9.7	5.6
Canada	4.8	7.2	6.0	4.9	11.7	6.9
South America	2.2	12.6	4.4	2.1	12.1	4.2
Europe	9.0	3.5	9.6	9.7	5.5	10.6
<b>Subtotal</b>	<b>32.8</b>	<b>49.4</b>	<b>41.3</b>	<b>31.1</b>	<b>57.4</b>	<b>41.0</b>
<b>Total</b>	<b>99.6</b>	<b>109.2</b>	<b>118.3</b>	<b>87.8</b>	<b>118.3</b>	<b>108.1</b>

\*Including our interest in equity-accounted investees, which is approximately 4.4 mm boe in 2015Q1 and 4.2 mm boe in 2014Q1. In 2015Q1, production percentage of China and overseas was 65% v.s. 35%; Crude liquids and natural gas was 84% v.s. 16%.



# Revenues and Capital Expenditure

(unaudited)	RMB millions			USD millions*	
	2015Q1	2014Q1	%Change	2015Q1	2014Q1
<b>Sales Revenue</b>					
Crude and Liquids	31,578	55,051	-42.6%	5,144	9,000
Natural Gas	3,961	4,102	-3.4%	645	671
Marketing Revenue, net	459	560	-18.0%	75	92
Others	721	745	-3.2%	117	122
<b>Total Revenue</b>	<b>36,719</b>	<b>60,458</b>	<b>-39.3%</b>	<b>5,981</b>	<b>9,885</b>
<b>Capital Expenditures**</b>					
Exploration	3,274	5,028	-34.9%	533	822
Development	10,985	12,046	-8.8%	1,790	1,969
Production	1,661	1,681	-0.2%	271	275
Others	19	160	-88.1%	3	26
<b>Total Capex</b>	<b>15,940</b>	<b>18,914</b>	<b>-15.7%</b>	<b>2,597</b>	<b>3,092</b>
<b>Average Realized Prices</b>					
Oil (US\$/bbl)				53.40	104.63
Gas (US\$/mcf)				6.68	6.33

\* Converted to US dollars at RMB6.1384=USD1.00 for 2015Q1; RMB6.1170=USD1.00 for 2014Q1.

\*\* Excluding capitalized interests of RMB379 mn and RMB396 mn in 2015Q1 and 2014Q1 respectively.



# Exploration Highlights

Offshore China

Overseas

## Boxi

Well	Type	Status
Qinhuangdao27-3-2	Appraisal	Successful
Qinhuangdao33-5-1	Wildcat	Successful

## Qinhuangdao36

Well	Type	Status
Penglai20-2-1	Wildcat	Successful
Penglai7-6-1	Wildcat	Successful

## Weizhou12

Well	Type	Status
Wushi16-9-4	Appraisal	Successful

## Bonan

Well	Type	Status
Bozhong34-9-5	Appraisal	Successful
Bozhong34-9-6	Appraisal	Successful
Bozhong34-9-7	Appraisal	Successful
Bozhong29-1-3D	Appraisal	Successful
Bozhong34-1N-8D	Appraisal	Successful
Bozhong34-1N-F25	Appraisal	Successful

## Algeria

Well	Type	Status
OGB-2	Appraisal	Successful

## Lufeng14

Well	Type	Status
Lufeng14-4-2	Appraisal	Successful

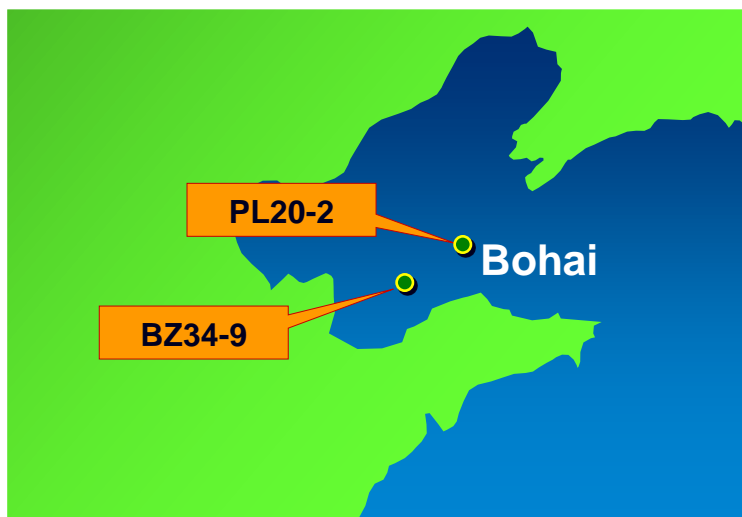
## Brazil

Well	Type	Status
L1-NW1	Appraisal	Successful
L2-C1	Appraisal	Successful

In the first quarter, we achieved 3 new discoveries and 12 successful appraisal wells.



# Successful Exploration Program



- **New Discovery Penglai 20-2**
  - Located in Miaoixinan Uplift in Bohai
  - Discovery well PL20-2-1 encountered oil pay zones with total thickness of 51 meters
  - Drilled and completed at a well depth of 1,434 meters
  - Expected to be developed together with Penglai 20-3
- **Successful appraisal Bozhong 34-9**
  - Located in Yellow River Mouth Sag in Bohai
  - Appraisal wells BZ34-9-5 and BZ34-9-6 encountered oil pay zones with total thickness of 101 meters and 102 meters respectively
  - Mid-size oil and gas structure\* with medium crude

\*According to Regulation of Petroleum Reserves Estimation of China, a mid-size oil and gas structure is defined as a structure with recoverable oil resources of  $\geq 2,500 \sim < 25,000$  thousand cubic meters.



# New Projects in 2015

Project	Location	Status	Startup	Peak Production (boe/d)	Working Interests
Jinzhou 9-3 oil field adjustment	Bohai	Commenced production	Q1	12,000	100%
Kenli 10-1 oil field	Bohai	Commenced production	Q2	36,000	100%
Bozhong 28/34 oil fields adjustment	Bohai	Offshore installation and commission	First half	30,000	100%
Dongfang 1-1 gas field Phase I adjustment	Western South China Sea	Offshore installation	Second half	9,000	100%
Weizhou 12-2 oil field joint development	Western South China Sea	Offshore installation	Second half	16,000	100%
Weizhou 11-4N oil field Phase II	Western South China Sea	Offshore installation	Second half	8,000	100%
Luda 10-1 oil field adjustment	Bohai	Mechanically completed and ready for production	Second half	6,000	100%



**JZ9-3 comprehensive adjustment and KL10-1 already came on stream, and other projects progressed smoothly.**





# HSE Performance

- Health, safety and environment protection are always our top priority.
- Continue to closely monitor the production operations of all oil and gas fields.
- Continue to proactively perform social responsibilities.

	2015Q1	2014Q1
Rate of Recordable Cases (per 200,000 man hours)	0.15	0.14
Rate of Lost Workdays Cases (per 200,000 man hours)	0.04	0.04



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