



CNOOC LIMITED

中国海洋石油有限公司

2015 Third Quarter Review

Financial and Operating Highlights
for the Quarter Ended September 30, 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 127.5 mm boe, up 23.8% YoY
- Three new discoveries and 14 successful appraisal wells
- Luda 10-1 comprehensive adjustment came on stream in Q3, and other new projects progressed smoothly

Financial Results

- Oil and gas sales revenues of RMB 36.3 billion, down 32.3% YoY
- Capex of RMB 14.8 billion, down 44.0% YoY
- Realized oil price of US\$ 48.84/bbl, down 50.7% YoY
- Realized gas price of US\$ 6.41/mcf, down 3.0% YoY



Production Summary

2015Q3*

2014Q3*

	Crude and Liquids (mm bbls)	Natural Gas (bcf)	Total (mm boe)	Crude and Liquids (mm bbls)	Natural Gas (bcf)	Total (mm boe)
China						
Bohai	45.3	12.3	47.3	36.8	12.6	38.9
Western South China Sea	8.1	29.5	13.1	6.8	31.3	12.2
Eastern South China Sea	17.8	24.3	21.8	11.7	10.5	13.4
East China Sea	0.3	4.3	1.0	0.1	2.3	0.5
Subtotal	71.4	70.4	83.3	55.4	56.7	65.0
Overseas						
Asia (Ex. China)	4.0	13.0	6.3	3.5	13.1	5.9
Oceania	0.4	11.4	2.6	0.4	12.1	2.8
Africa	7.8	-	7.8	7.3	-	7.3
North America (Ex. Canada)	5.3	12.1	7.3	5.0	10.3	6.7
Canada	4.5	5.9	5.5	4.2	10.5	6.0
South America	2.3	13.6	4.6	2.2	12.6	4.4
Europe	9.5	3.5	10.1	4.5	3.0	5.0
Subtotal	33.8	59.5	44.3	27.2	61.4	38.0
Total	105.2	129.9	127.5	82.6	118.1	103.0

*Including our interest in equity-accounted investees, which is approximately 4.7 mm boe in 2015Q3 and 4.4 mm boe in 2014Q3. In 2015Q3, production percentage of China and overseas was 65% v.s. 35%; Crude liquids and natural gas was 83% v.s. 17%.



Revenues and Capital Expenditure

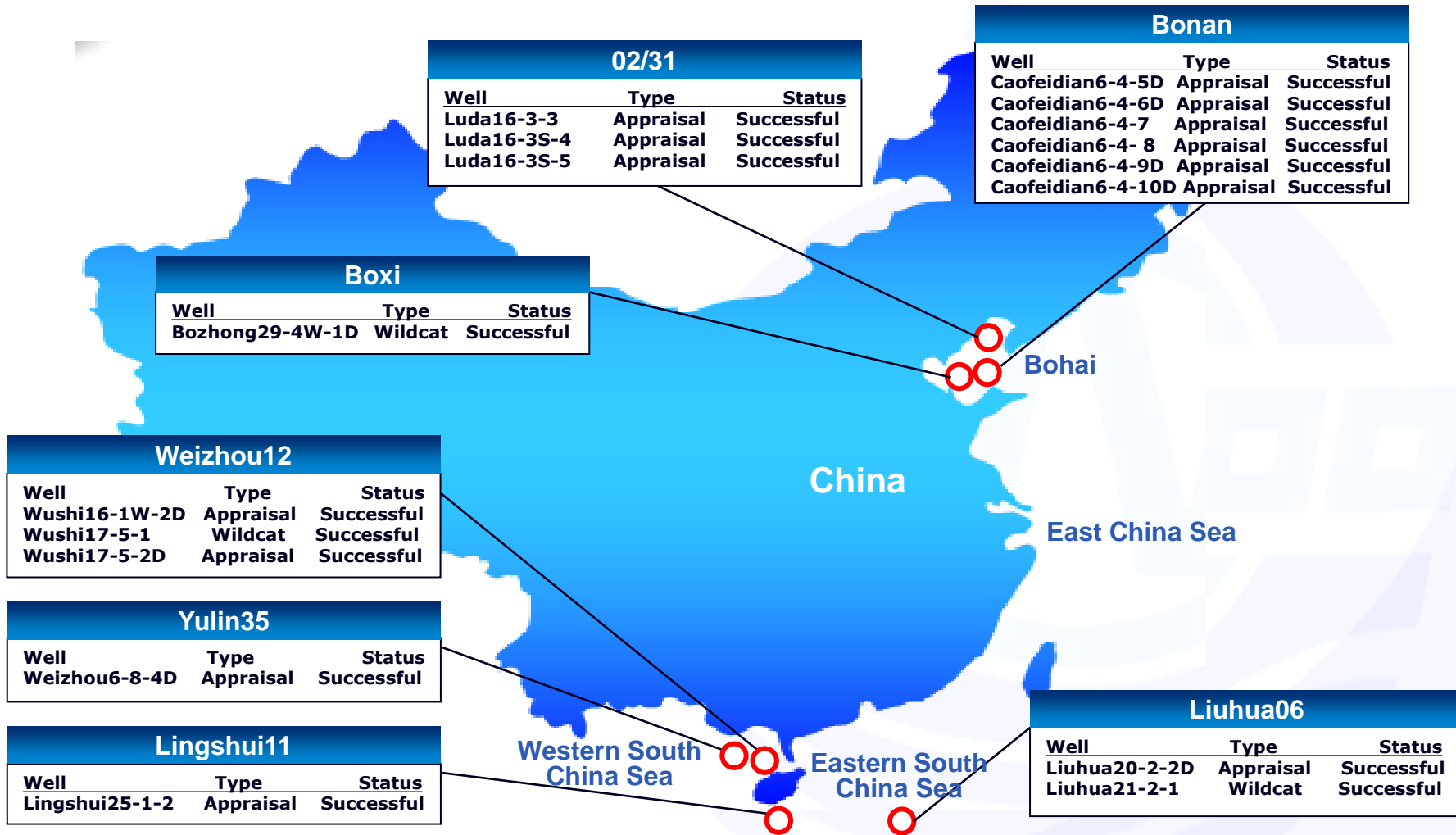
(Unaudited)	3 months ended Sep 30			9 months ended Sep 30		
	2015	2014	%Change	2015	2014	%Change
(RMB million)						
Sales Revenue						
Crude and Liquids	31,608	49,287	-35.9%	100,371	158,110	-36.5%
Natural Gas	4,644	4,281	8.5%	12,915	12,554	2.9%
Marketing Revenue, net	338	544	-37.9%	1,183	1,737	-31.9%
Others	1,131	943	19.9%	2,276	2,975	-23.5%
Total	37,721	55,055	-31.5%	116,745	175,376	-33.4%
Capital Expenditure*						
Exploration	3,591	5,607	-36.0%	10,774	16,888	-36.2%
Development	9,337	17,496	-46.6%	31,386	48,478	-35.3%
Production	1,739	2,973	-41.5%	5,377	8,410	-36.1%
Others	86	255	-66.3%	280	622	-55.1%
Total	14,753	26,330	-44.0%	47,817	74,399	-35.7%
Average realized prices						
Oil (US\$/bbl)	48.84	98.98	-50.7%	54.49	103.91	-47.6%
Gas (US\$/mcf)	6.41	6.61	-3.0%	6.50	6.50	0.0%

Converted to US dollars at RMB6.2480=USD1.00 for 2015Q3; RMB6.1616=USD1.00 for 2014Q3.

*Capitalized interests were not included in above numbers, and it was RMB338 million in 2015Q3.



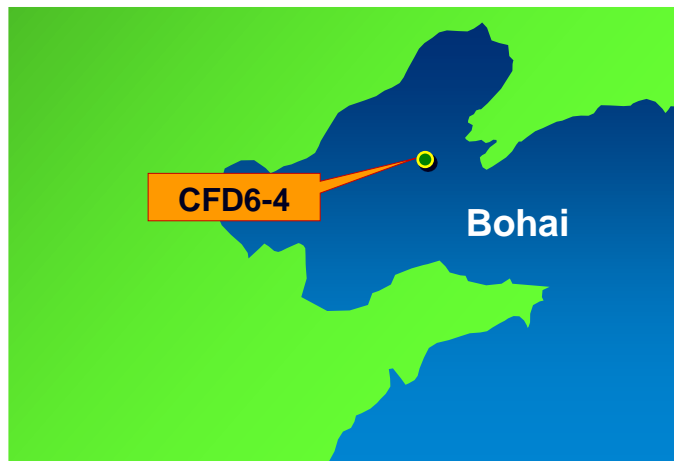
Exploration Highlights



We achieved three new discoveries and 14 successful appraisal wells offshore China.



Successful Exploration Program



- **Successful appraisal Caofeidian 6-4**
 - Located in Shijiutuo Uplift of Bohai
 - Discovery well CFD6-4-1 encountered oil pay zones with total thickness of ~180 meters
 - Drilled and completed at a depth of 3,100 meters
 - Mid-size oilfield*
 - Significant breakthrough after several years of exploration in western Bohai



- **New discovery Liuhua 21-2**
 - Located in Baiyun Sag in the Pearl River Mouth Basin of the South China Sea
 - Discovery well LH21-2-1 encountered oil pay zones with total thickness of ~38 meters
 - Drilled and completed at a depth of 3,000 meters
 - Further proved the potential of Baiyun Sag in the Pearl River Mouth Basin
 - Expected to be developed jointly with adjacent structures such as LH20-2

*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%
Dongfang 1-1 gas field Phase I adjustment	Western South China Sea	Commenced production	Q2	9,000	100%
Bozhong 28/34 oil fields adjustment	Bohai	Commenced production	Q2	30,000	100%
Luda 10-1 oil field adjustment	Bohai	Commenced production	Q3	6,000	100%
Weizhou 12-2 oil field joint development	Western South China Sea	Offshore installation and commissioning	Q4	16,000	100%
Weizhou 11-4N oil field Phase II	Western South China Sea	Offshore installation and commissioning	Q4	8,000	100%



Five out of seven new projects planned for this year came on stream year to date, other projects progressed smoothly.



HSE Performance

- Health, safety and environmental protection are always our top priority.
- OSHA statistics maintained at good level in the third quarter.

	2015Q3	2014Q3
Rate of Recordable Cases (per 200,000 man hours)	0.13	0.13
Rate of Lost Workdays Cases (per 200,000 man hours)	0.03	0.06



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