



CNOOC LIMITED

中国海洋石油有限公司

2016 First Quarter Review

Financial and Operating Highlights
for the Quarter Ended March 31, 2016



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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 Annual Report on Form 20-F filed in April of the latest fiscal year.

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Overview

Operation Highlights

- Net production of 124.3 mm boe, up 5.1% YoY
- 3 new discoveries and 7 successful appraisal wells
- Kenli 10-4 and Panyu 11-5 came on stream, and other new projects progressed smoothly

Financial Results

- Oil and gas sales revenues of RMB 24.6 billion, down 30.7% YoY
- Capex of RMB 9.7 billion, down 39.2% YoY
- Realized oil price of US\$ 32.54/bbl, down 39.1% YoY
- Realized gas price of US\$ 5.69/mcf, down 14.8% YoY



Production Summary

2016Q1*

2015Q1*

	Crude and Liquids (mm bbls)	Natural Gas (bcf)	Total (mm boe)	Crude and Liquids (mm bbls)	Natural Gas (bcf)	Total (mm boe)
China						
Bohai	43.8	13.5	46.1	41.3	12.3	43.3
Western South China Sea	9.9	25.7	14.3	8.7	27.0	13.4
Eastern South China Sea	17.9	17.9	20.9	16.6	16.0	19.3
East China Sea	0.4	5.7	1.3	0.2	4.5	1.0
Subtotal	72.0	62.9	82.6	66.9	59.8	76.9
Overseas						
Asia (Ex. China)	4.5	13.9	7.0	4.1	11.1	6.1
Oceania	0.3	7.3	1.7	0.1	3.7	0.9
Africa	6.8	-	6.8	7.5	-	7.5
North America (Ex. Canada)	4.2	11.2	6.1	5.1	11.3	6.9
Canada	3.7	5.1	4.6	4.8	7.2	6.0
South America	2.2	13.6	4.5	2.2	12.6	4.4
Europe	10.3	4.0	11.0	9.0	3.5	9.6
Subtotal	32.0	55.2	41.7	32.8	49.4	41.3
Total	104.1	118.0	124.3	99.6	109.2	118.3

*Including our interest in equity-accounted investees, which is approximately 4.6 mm boe in 2016Q1 and 4.4 mm boe in 2015Q1. In 2016Q1, production percentage of China and overseas was 66% v.s. 34%; Crude liquids and natural gas was 84% v.s. 16%.



Revenues and Capital Expenditure

(unaudited)	RMB millions			USD millions*	
	2016Q1	2015Q1	%Change	2016Q1	2015Q1
Sales Revenue					
Crude and Liquids	20,777	31,578	-34.2%	3,184	5,144
Natural Gas	3,861	3,961	-2.5%	592	645
Marketing Revenue, net	253	459	-44.9%	39	75
Others	928	721	28.7%	142	117
Total Revenue	25,819	36,719	-29.7%	3,957	5,981
Capital Expenditures**					
Exploration	2,059	3,274	-37.1%	316	533
Development	6,678	10,985	-39.2%	1,024	1,790
Production	954	1,661	-42.6%	146	271
Others	3	19	-84.2%	0	3
Total Capex	9,694	15,940	-39.2%	1,486	2,597
Average Realized Prices					
Oil (US\$/bbl)				32.54	53.40
Gas (US\$/mcf)				5.69	6.68

* Converted to US dollars at RMB6.5247=USD1.00 for 2016Q1; RMB6.1384=USD1.00 for 2015Q1.

** Excluding capitalized interests of RMB313 mn and RMB379 mn in 2016Q1 and 2015Q1 respectively.



Exploration Highlights

Offshore China

Overseas

Bozhong

Well	Type	Status
Caofeidian12-6-2d	Appraisal	Successful

02/31、Jinzhou09

Well	Type	Status
Jinzhou25-1W-1	Wildcat	Successful
Luda29-1-1Sa	Wildcat	Successful

Algeria

Well	Type	Status
SAB-2	Appraisal	Successful

Bonan

Well	Type	Status
Kenli16-1-2	Appraisal	Successful
Kenli16-1-4	Appraisal	Successful

Yulin35

Well	Type	Status
Weizhou6-13N-1	Wildcat	Successful
Weizhou6-8-5d	Appraisal	Successful

Gabon

Well	Type	Status
Leopard-2/S	Appraisal	Successful

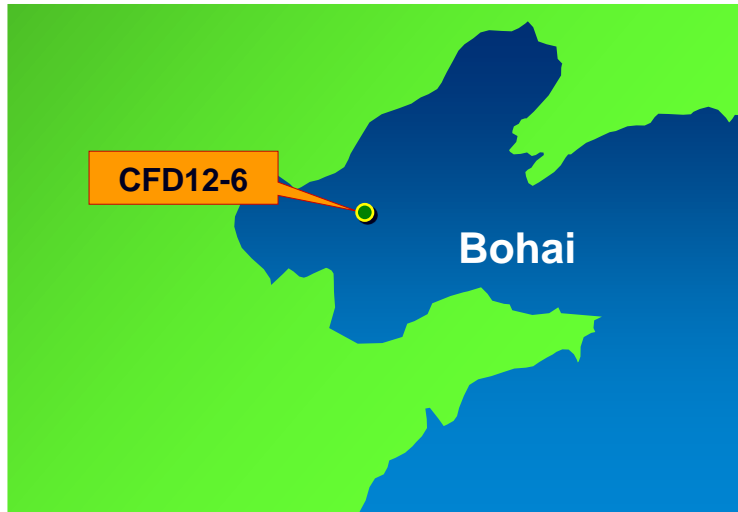
Brazil

Well	Type	Status
L6-NW3A	Appraisal	Successful

In the first quarter, we achieved 3 new discoveries and 7 successful appraisal wells.



Successful Exploration Program



- **Successful appraisal of Caofeidian 12-6**
 - Located in Bozhong Sag in Bohai
 - Appraisal well CFD12-6-2d encountered oil pay zones with total thickness of ~88 meters
 - Drilled and completed at a depth of 2,049 meters
 - Increased the reserve scale of the structure



New Projects in 2016

Project	Location	Status	Expected Startup	Peak Production (boe/d)	Working Interests
Kenli 10-4 oil field	Bohai	Commenced production	First half	9,600	100%
Panyu 11-5 oil field	Eastern South China Sea	Commenced production	First half	3,900	100%
Weizhou 6-9/6-10 oil fields comprehensive adjustment	Western South China Sea	Onshore construction	Second half	3,800	100%
Enping 18-1 oil field	Eastern South China Sea	Offshore installation and commission	Second half	11,800	100%



KL10-4 and PY11-5 already came on stream, and other projects progressed smoothly.



HSE Performance

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

	2016Q1	2015Q1
Rate of Recordable Cases (per 200,000 man hours)	0.14	0.15
Rate of Lost Workdays Cases (per 200,000 man hours)	0.05	0.04



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