



CNOOC Limited
中国海洋石油有限公司

2018 First Quarter Review

Financial and Operating Highlights
for the Quarter Ended March 31, 2018



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

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Overview

Operation Highlights

- 🚢 Net production of 120.1 mm boe, up 0.8% YoY
- 🚢 6 new discoveries and 15 successful appraisal wells
- 🚢 Stampede oil field and Weizhou 6-13 oil field came on stream, and other new projects progressed smoothly

Financial Results

- 🚢 Oil and gas sales revenue of RMB 42.54 billion, up 10.8% YoY
- 🚢 Capex of RMB 9.66 billion, up 11.4% YoY
- 🚢 Realized oil price of US\$ 63.50/bbl, up 23.0% YoY
- 🚢 Realized gas price of US\$ 6.47/mcf, up 7.8% YoY

Production Summary

	2018Q1*			2017Q1*		
	Crude and Liquids (mm bbls)	Natural Gas (bcf)	Total (mm boe)	Crude and Liquids (mm bbls)	Natural Gas (bcf)	Total (mm boe)
China						
Bohai	38.8	15.0	41.3	40.5	13.6	42.7
Western South China Sea	9.5	24.6	13.6	9.3	25.7	13.7
Eastern South China Sea	16.7	26.8	21.2	17.5	18.8	20.7
East China Sea	0.4	5.3	1.3	0.4	5.6	1.4
Others	-	0.2	0.04	-	-	-
Subtotal	65.5	71.9	77.5	67.7	63.7	78.4
Overseas						
Asia (Ex. China)	6.2	14.1	8.8	4.6	12.8	6.9
Oceania	0.3	6.8	1.6	0.2	4.3	1.0
Africa	5.9	-	5.9	7.2	-	7.2
North America (Ex. Canada)	4.5	11.9	6.4	4.2	11.0	6.0
Canada	5.8	3.5	6.3	4.9	4.0	5.6
South America	2.6	15.2	5.2	2.0	12.3	4.1
Europe	7.9	2.3	8.3	9.4	2.5	9.8
Subtotal	33.1	53.8	42.6	32.4	46.9	40.6
Total	98.6	125.7	120.1	100.2	110.6	119.1

*Including our interest in equity-accounted investees, which is approximately 5.2 mm boe in 2018 Q1 and 4.2 mm boe in 2017 Q1.



CNOOC Limited In 2018 Q1, production percentage of China and overseas was 65% v.s. 35%; Crude liquids and natural gas was 82% v.s. 18%.
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Revenues and Capital Expenditure

(unaudited)	2018Q1	2017Q1	Change	2018Q1	2017Q1
	RMB millions		%	USD millions*	
Sales Revenue					
Crude and Liquids	38,001	34,354	10.6%	5,977	4,990
Natural Gas	4,535	4,039	12.3%	713	587
Marketing Revenue, net	341	228	49.6%	54	33
Others	1,798	1,857	-3.2%	283	270
Total Revenue	44,675	40,478	10.4%	7,027	5,880
Capital Expenditures**					
Exploration	1,901	2,101	-9.5%	299	305
Development	5,963	5,599	6.5%	938	813
Production	1,775	962	84.5%	279	140
Others	16	7	128.6%	3	1
Total Capex	9,655	8,669	11.4%	1,519	1,259
Average Realized Prices					
Oil (US\$/bbl)				63.50	51.64
Gas (US\$/mcf)				6.47	6.00

Exploration Highlights

Offshore China

Overseas

Western South China Sea		
Well	Type	Status
Weizhou 11-12-3d	Appraisal	Successful
Weizhou 11-2E-9d/Sa	Appraisal	Successful
Weizhou 11-2E-12d/Sa	Appraisal	Successful
Wushi 16-1W-5d	Appraisal	Successful
Wushi 16-1-7d/Sa	Appraisal	Successful
Ledong 10-2-1	Wildcat	Successful

Eastern South China Sea		
Well	Type	Status
Lufeng 14-4-4d	Appraisal	Successful
Enping 10-2-1	Wildcat	Successful
Enping 15-2-1	Wildcat	Successful
Lufeng 12-3-1	Wildcat	Successful

Bohai		
Well	Type	Status
Bozhong 29-6-2	Appraisal	Successful
Bozhong 29-6-4	Appraisal	Successful
Bozhong 13-1S-3d	Appraisal	Successful
Bozhong 13-1S-4d	Appraisal	Successful
Bozhong 13-1S-5d	Appraisal	Successful
Bozhong 19-6-3	Appraisal	Successful
Bozhong 19-6-4	Appraisal	Successful
Longkou 7-6-9	Appraisal	Successful

Guyana		
Well	Type	Status
Ranger-1	Wildcat	Successful
Pacora-1	Wildcat	Successful

Brazil		
Well	Type	Status
NW-11	Appraisal	Successful

In the first quarter, we achieved 6 new discoveries and 15 successful appraisal wells.



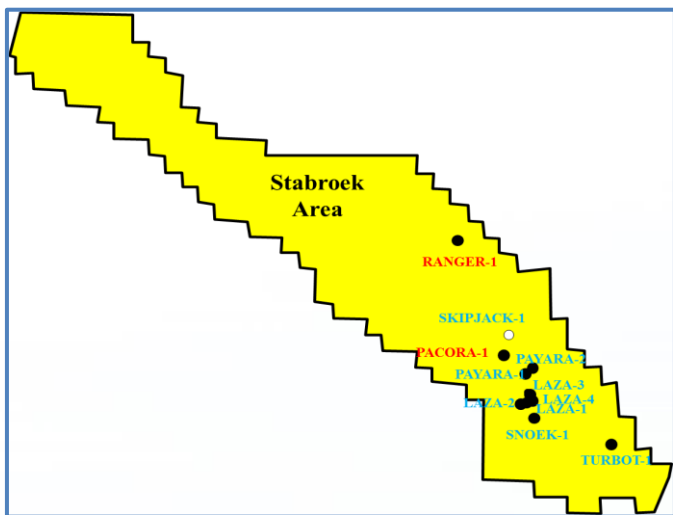
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Successful Exploration Program



New discoveries of Enping 10-2 and Enping 15-2

- Located in Enping Sag of Pearl River Mouth Basin
- Discovery wells Enping 10-2-1 and Enping 15-2-1 encountered oil pay zones with total thickness of ~54 meters and ~21 meters, respectively
- Drilled and completed at the depth of 2,702 meters and 2,165 meters, respectively
- Expected to be jointly developed with Enping 15-1 to become a mid-sized oilfield



New discoveries of Ranger and Pacora in Stabroek block of Guyana

- Represent the sixth and seventh discoveries in the block
- Discovery wells Ranger-1 and Pacora-1 encountered oil pay zones with total thickness of ~70 meters and ~20 meters, respectively
- Drilled and completed at the depth of 6,450 meters and 5,597 meters, respectively
- Further enhance the asset value and lay a solid resource foundation for future development



New projects in 2018

Project	Location	Status	Expected Startup	Peak Production (boe/d)	Working Interests
Stampede oil field *	United States	Commenced production	First half	>40,000	25%
Weizhou 6-13 oil field	Western South China Sea	Commenced production	First half	6,300	100%
Penglai 19-3 oil field 1/3/8/9 comprehensive adjustment project	Bohai	Onshore construction	Second half	36,200	51%
Dongfang 13-2 gas fields	Western South China Sea	Onshore construction	Second half	43,400	100%
Wenchang 9-2/9-3/10-3 gas fields	Western South China Sea	Installation and commissioning	Second half	14,300	100%



* Production at Stampede continues to ramp up; designed capacity is 80,000 boe/d.

Stampede oil field and Weizhou 6-13 oil field have come on stream, with other projects progressing smoothly.

HSE Performance

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

	2018Q1	2017Q1
Rate of Recordable Cases	0.06	0.13
Rate of Lost Workdays Cases (per 200,000 man hours)	0.01	0.03



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