



# **CNOOC LIMITED**

# **中国海洋石油有限公司**

## **2014 First Quarter Review**

**Financial and Operating Highlights**  
**for the Quarter Ended March 31, 2014**



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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 2013 Form 20-F filed on 17 April 2014.

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# Overview

## Operation Highlights

- Net production of 108.1 mm boe, up 15.5% YoY
- 5 new discoveries and 8 successful appraisal wells
- New projects progressed on schedule

## Financial Results

- Oil and gas sales revenues of RMB 59.15 billion, up 6.9% YoY
- Capex of RMB 19.31 billion
- Realized oil price of US\$ 104.63/bbl, down 5.1% YoY
- Realized gas price of US\$ 6.33/mcf, up 9.3% YoY



# Production Summary

**2014Q1\***

**2013Q1\***

	<b>Crude and Liquids</b> (mm bbls)	<b>Natural Gas</b> (bcf)	<b>Total</b> (mm boe)	<b>Crude and Liquids</b> (mm bbls)	<b>Natural Gas</b> (bcf)	<b>Total</b> (mm boe)
<b>China</b>						
Bohai	34.8	13.0	37.0	37.4	12.1	39.5
Western South China Sea	8.5	31.6	13.9	6.1	29.1	11.2
Eastern South China Sea	13.3	13.6	15.6	13.8	13.9	16.1
East Sea	0.2	2.7	0.6	0.1	2.6	0.5
<b>Subtotal</b>	<b>56.8</b>	<b>60.9</b>	<b>67.1</b>	<b>57.4</b>	<b>57.7</b>	<b>67.2</b>
<b>Overseas</b>						
Asia (Ex. China)	2.9	11.8	5.0	2.3	13.3	4.5
Oceania	0.3	6.6	1.6	0.2	5.8	1.2
Africa	7.2	-	7.2	6.2	-	6.2
North America (Ex. Canada)	4.0	9.7	5.6	3.1	7.8	4.4
Canada	4.9	11.7	6.9	2.0	4.2	2.6
South America	2.1	12.1	4.2	1.9	11.5	3.8
Europe	9.7	5.5	10.6	3.5	1.3	3.7
<b>Subtotal</b>	<b>31.1</b>	<b>57.4</b>	<b>41.0</b>	<b>19.0</b>	<b>43.8</b>	<b>26.3</b>
<b>Total</b>	<b>87.8</b>	<b>118.3</b>	<b>108.1</b>	<b>76.5</b>	<b>101.5</b>	<b>93.6</b>

\*Including our interest in equity-accounted investees, which is approximately 4.2 mm boe in 2014Q1 and 3.8 mm boe in 2013Q1.

Nexen production in 2014Q1 and 2013Q1 were 19.3 and 6.9 mmboe respectively.

In 2014Q1, production percentage of China and overseas was 62% v.s. 38%; Crude liquids and natural gas was 81% v.s. 19%.



# Revenue and Capital Expenditure

(unaudited)	RMB millions			USD millions*	
	2014Q1	2013Q1	%Change	2014Q1	2013Q1
<b>Sales Revenue</b>					
Crude and Liquids	55,051	52,050	5.8%	9,000	8,291
Natural Gas	4,102	3,260	25.8%	671	519
Marketing Revenue, net	560	417	34.3%	92	66
Others	745	452	64.8%	122	72
<b>Total Revenue</b>	<b>60,458</b>	<b>56,179</b>	<b>7.6%</b>	<b>9,885</b>	<b>8,948</b>
<b>Capital Expenditures</b>					
Exploration	5,028	2,668	88.4%	822	425
Development	12,442	10,297	20.8%	2,034	1,640
Production	1,681	1,834	-8.4%	275	292
Others	160	78	104.6%	26	12
<b>Total Capex</b>	<b>19,310</b>	<b>14,878</b>	<b>29.8%</b>	<b>3,157</b>	<b>2,370</b>
<b>Average Realized Prices</b>					
Oil (US\$/bbl)				104.63	110.29
Gas (US\$/mcf)				6.33	5.79

\*Converted to US dollars at RMB6.1170=USD1.00 for 2014Q1; RMB6.2782=USD1.00 for 2013Q1.



# Exploration Highlights



**We achieved 5 new discoveries and 8 successful appraisal wells in 2014Q1.**



# New Discoveries



## ○ Bozhong 22-1

- Located in the south central Bohai
- Discovery well Bozhong 22-1-2 encountered gas pay zones with a total thickness of 92 meters
- Drilled and completed at a depth of 4,611 meters
- Demonstrated great exploration potential of natural gas at Bohai deep zone



## ○ Lingshui 17-2

- Located in the east Lingshui Sag in deepwater area of Qiongdongnan Basin
- Discovery well Lingshui 17-2-1 encountered gas pay zones with a total thickness of 55 meters
- Drilled and completed at a depth of 3,510 meters
- Further confirmed exploration prospect in deepwater area of Qiongdongnan Basin



# Successful Appraisals



- **Bozhong 8-4**
  - Year of discovery: 2013
  - Three successful appraisal wells Bozhong 8-4-7/8d/9d extended the reserve scale of this area
  - Expected to become a mid-size oilfield



- **Wushi 17-2**
  - Year of discovery: 2011
  - Three successful appraisal wells Wushi 17-2-9/10/11 extended the reserve scale of this area
  - Expected to become a mid-to-large size oilfield





# Major New Projects in 2014

Project	Location	Status	Gross Peak Production (boe/day)	Working Interests
Kenli 3-2	Bohai	Offshore commissioning	37,000	100%
Wenchang 13-6	Western South China Sea	Offshore commissioning	6,000	100%
Panyu 10-2/5/8	Eastern South China Sea	Modules under construction	13,000	100%
Panyu 34-1/35-1 /35-2	Eastern South China Sea	Installation and commissioning of subsea facilities	25,000	100%
Qinhuangdao 32-6 adjustment	Bohai	Modules under construction	36,000	75.5%
Enping 24-2	Eastern South China Sea	Installation of jacket completed	40,000	100%
Golden Eagle	UK North Sea	Installation of jacket and topside module of wellhead platforms completed	70,000	36.5%



**2014 new 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.

	2014Q1	2013Q1
Rate of Recordable Cases (per 200,000 man hours)	0.14	0.12
Rate of Lost Workdays Cases (per 200,000 man hours)	0.04	0.04



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