



CNOOC LIMITED **中国海洋石油有限公司**

2008 Third Quarter Review

**Financial and Operating Highlights
for the Quarter Ending September 30, 2008**



Overview

Operation Highlights

- 11 successful exploration wells, in which 4 wildcats and 7 appraisals
- Production of 549,589 boe/d in Q3 increased by 15.2% yoy; Offshore China production of 480,857 boe/d
- Wenchang oilfields and platform B of Penglai 19-3 II came on stream

Financial Achievements

- Q3 oil and gas revenues of RMB 30,487 million (US\$ 4,459 million), an increase of 67.9% yoy
- Nine-months oil and gas revenue of RMB 84,951 million (US\$ 12,165million), up 65.3% yoy
- Realized oil price of US\$ 106.94/bbl in Q3, up 58.7% yoy



Production Summary

Net Production **2008Q3** **2007Q3** **%Change**

Crude Oil & Liquids (b/d)

Bohai Bay	224,280	207,516	8.1%
Western South China Sea	67,315	37,243	80.7%
Eastern South China Sea	115,158	101,378	13.6%
East China Sea	960	1,489	-35.6%
Overseas	23,016	25,660	-10.3%
Subtotal (b/d)	430,729	373,287	15.4%

Natural Gas (mmcf/d)

Bohai Bay	75	69	8.7%
Western South China Sea	305	287	6.1%
Eastern South China Sea	25	28	-7.9%
East China Sea	18	23	-20.5%
Overseas	255	188	35.9%
Subtotal (mmcf/d)	679	595	14.1%
Total Production (boe/d)	549,589	476,937	15.2%



Total net production recorded a strong increase of 15.2% yoy due to commencement of new projects in 2008 including Xijiang 23-1, Wenchang oilfields and platform B of Penglai 19-3 II



Revenue and Capital Expenditures

(Unaudited)	3 months ended Sept.30			9 months ended Sept.30		
	2008	2007	%change	2008	2007	%change
<i>(RMB million)</i>						
Revenue						
Crude oil and liquids	28,882	16,789	72.0%	80,506	47,642	69.0%
Natural gas	1,605	1,366	17.5%	4,444	3,735	19.0%
Marketing Revenue net	28	106		197	235	
others	361	3		762	69	
Total	30,876	18,264	69.1%	85,909	51,681	66.2%
Capital Expenditures						
Exploration	2,070	1,183	75.0%	4,738	3,512	34.9%
Development	8,118	5,850	38.8%	19,673	17,819	10.4%
Total	10,189	7,033	44.9%	24,412	21,331	14.4%
Average Realized Prices						
Oil (US\$/bbl)	106.94	67.37	58.7%	103.97	61.57	68.9%
Gas (US\$/mcf)	3.83	3.42	11.7%	3.71	3.28	13.1%

(1) Note: Converted to US dollars at RMB 6.8373= US\$1.00 for 2008 Q3; 7.5833 for 2007 Q3



Major Development Highlights





Exploration Highlights in Q3



SES

Well Name	Well Type	Remarks
Mila-3	Wildcat	Successful

LDW

Well Name	Well Type	Remarks
JZ25-1-6	Appraisal	Successful
JZ25-1-10D	Appraisal	Successful
JZ25-1-11	Appraisal	Successful
JZ25-1-12	Appraisal	Successful
JZ25-1-14	Appraisal	Successful

China

Bohai Bay

East China Sea

BN

Well Name	Well Type	Remarks
BZ29-5-1	Wildcat	Successful
BZ29-5-2	Appraisal	Successful
BZ29-4S-1	Wildcat	Successful
BZ35-2-2	Wildcat	Successful

WXN

Well Name	Well Type	Remarks
WZH11-2-3	Appraisal	Successful

Western South China Sea

Eastern South China Sea

 Independent
 PSC



Health, Safety and Environment

- **CNOOC Limited strives to maintain high standards for its health, safety and environmental performance**
 - Health and safety incidents are closely monitored, recorded and promptly reported to government agencies and organizations

CNOOC Limited Performance	2008 Q3	2007 Q3
Rate of Recordable cases (per 200,000 man hours)	0.13	0.13
Rate of lost workdays cases (per 200,000 man hours)	0.01	0.07



<http://www.cnooc.com>