



CNOOC LIMITED
中国海洋石油有限公司

2008 Annual Results
Media Briefing

31 March 2009



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Agenda

- **Overview**
- **Operating Results**
- **Financial Performance**
- **2009 Outlook**



Overview



2008 Highlights

- **Strong production growth**
 - Total net production 195.4* mm BOE, an increase of 14.0% YoY
 - Development projects went smoothly in spite of hurdles
 - Successful production enhancement in producing fields
- **Successful exploration program**
 - Remarkable appraisal successes: Jinzhou 25-1 and Liwan 3-1
 - 13 independent discoveries, 2 PSC discoveries
- **Remarkable financial performance**
 - Net profit hit another record high
 - All-in cost and ROCE continuously leading peers
- **Continually focus on HSE performance**



Summary Results

- Oil & gas sales increased 38.1% YoY due to:
 - Net production increased 14.0%, oil production increased 14.1 % YoY
 - Average realized oil and gas prices increased 34.9% and 16.3%, respectively
- Net profit largely increased 42.0%

(Million RMB)	2008	2007	Change%
Production* (BOE/D)	533,871	469,407	13.7%
Oil & gas sales	100,831	73,037	38.1%
Net marketing revenue	292	315	
EBT	57,880	43,311	
Income tax	13,505	12,052	
Net income	44,375	31,258	42.0%
EPS(RMB)	0.99	0.72	37.5%

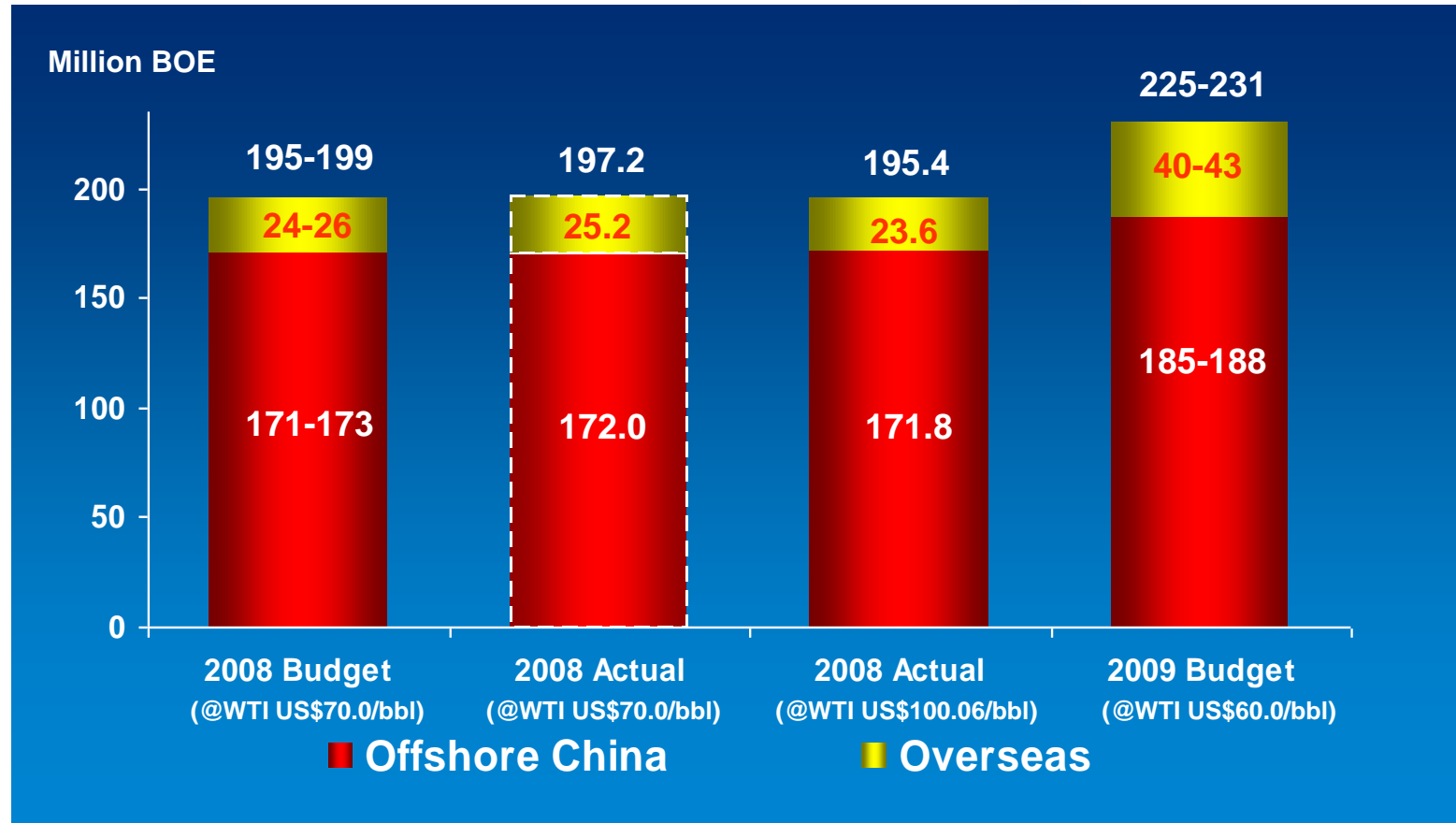
*Excluding our interests in an unconsolidated investee, net production is 530,728 BOE/D, an increase of 14.0%



Operating Results



Strong Production Growth



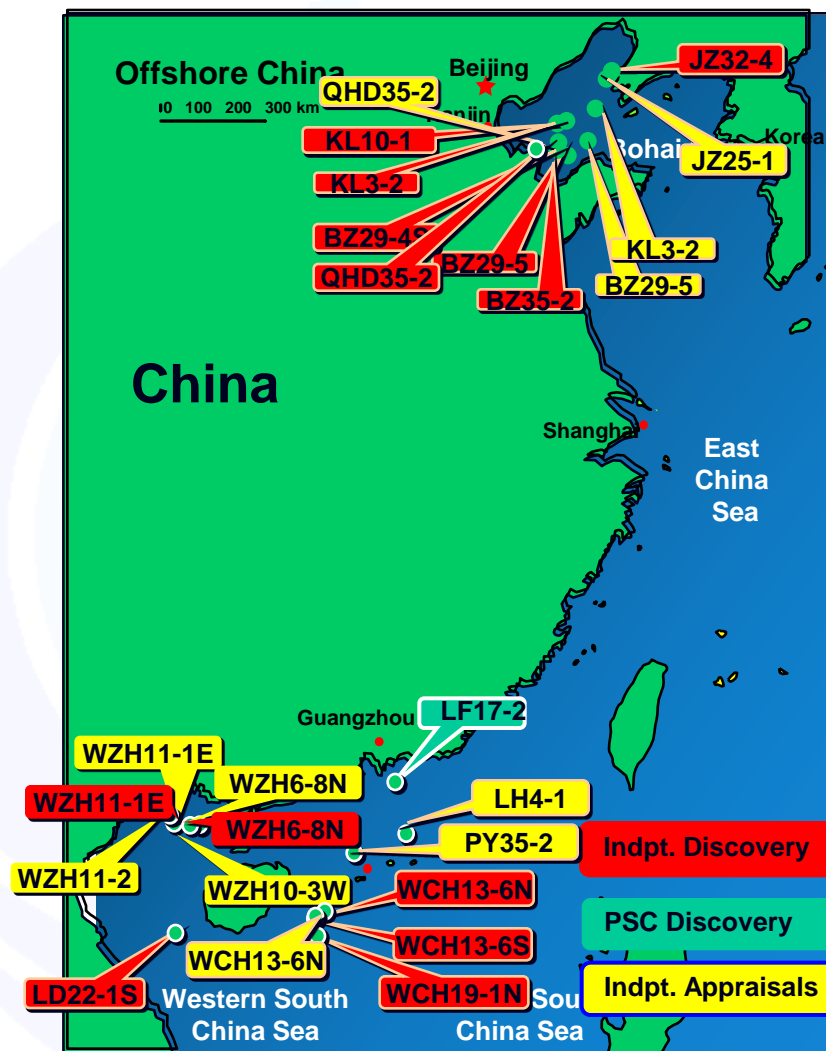


Exploration Successes

2008 Exploration Summary

	Independent	PSC
Offshore China		
Discoveries		
Bohai Bay	7	0
ESCS	0	1
WSCS	6	0
ECS	0	0
Subtotal	13	1
Appraisal Success		
Bohai Bay	4	0
ESCS	2	0
WSCS	5	0
ECS	0	0
Subtotal	11	0

	Discovery	Appraisal Success
Overseas		
Indonesia	1	1



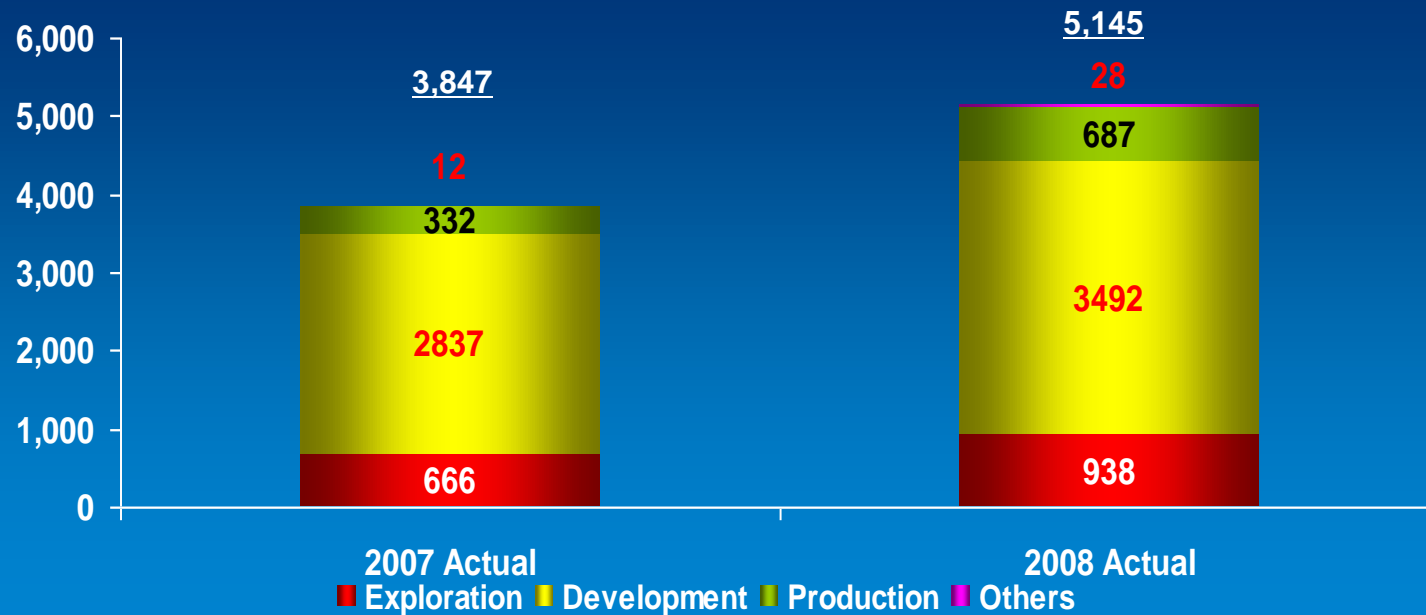
13 discoveries and 11 successful appraisals were independently made



Capital Expenditure

Capital Expenditure

(US\$ MM)



Exploration Capex of US\$ 938 million, up 40.8% YoY, exclusive of exchange factor, up 28.2% YoY, mainly because we continued to increase exploration activities in 2008. Development Capex of US\$ 3,492 million, Production Capex of US\$687 million



Strong HSE Records

- Health, safety, and environment protection are always the top priorities of CNOOC Limited
- In 2008, CNOOC Limited's HSE performance :
 - No accident of losses over RMB 1 million
 - Rate of lost workdays cases keep improving

	2008	2007
Rate of Recordable Cases (per 200,000 man hours)	0.16	0.13
Rate of Lost Workdays Cases (per 200,000 man hours)	0.04	0.05



Financial Performance



2008 vs. 2007 Net Income Analysis

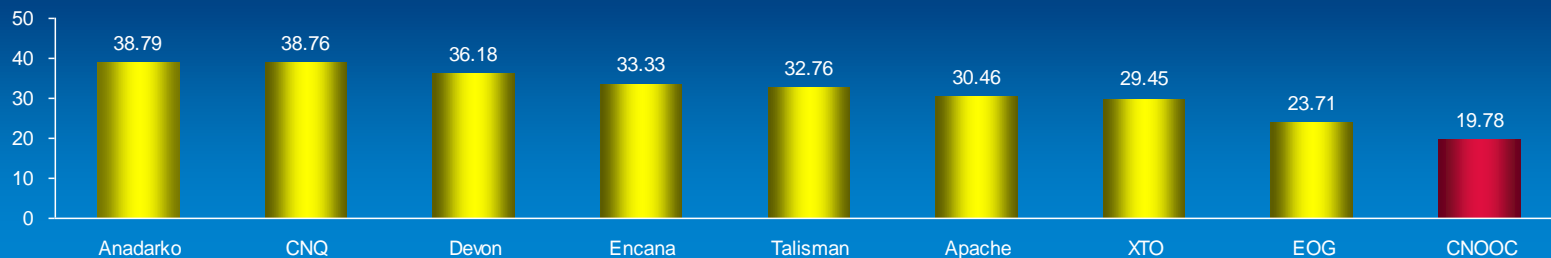




All-in Cost Leading Peers

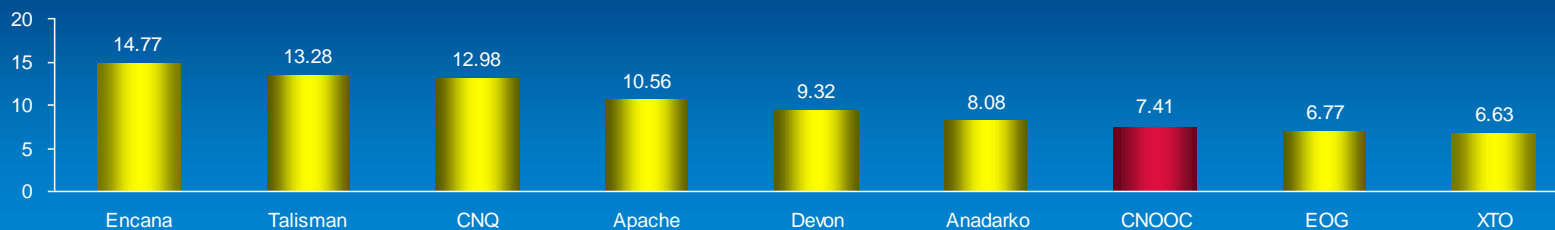
All-in cost

(US\$/BOE)



OPEX

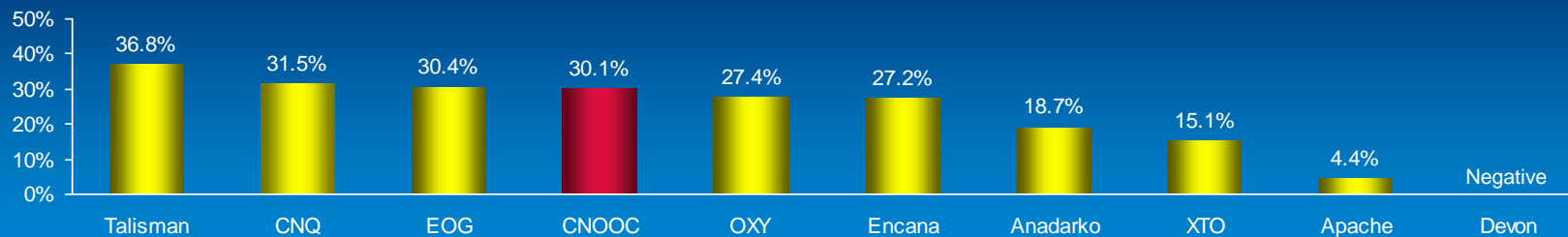
(US\$/BOE)



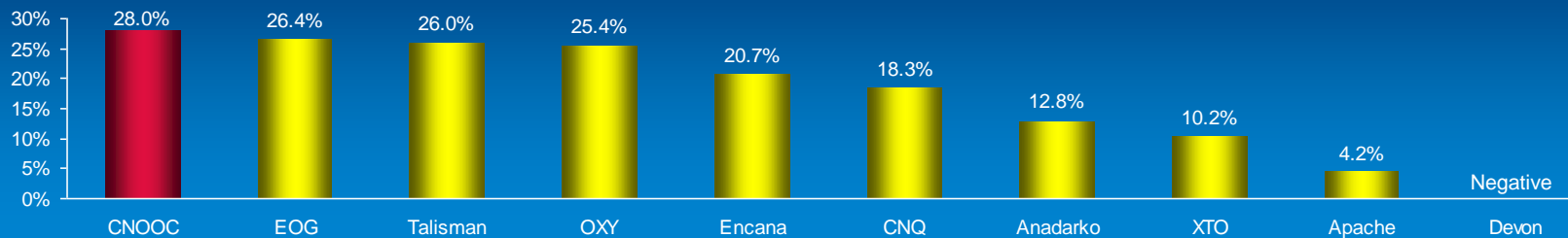


ROE/ROCE Leading Peers

ROE



ROCE





Dividend Recommendation

The board has proposed a year-end normal dividend of HK\$0.20 per share:

- Maintain dividend per share stable and growth, and consistent with the company's dividend policy
- 35.5%⁽¹⁾ payout of net profit
- 5.98%⁽²⁾ dividend yield
- Final dividend payment will be approximately RMB7.87 billion⁽³⁾, representing about 17.7% of cash balance in the end of February 2009, which will not affect cash flow requirements for operations

Proposed record date:	May 27
Proposed book close period:	May 20-27
Proposed payment date:	June 11

(1). (3) Exchange rate quoted as 0.88132 of March 10, 2009

(2) Based on closing share price of HK\$6.69 as of March 10, 2009



2009 Outlook



Sustainable, Stable and Profitable Growth

Reserves

- Continue to add reserves through exploration and acquisitions
- RRR: >100%

Development

- 10 development projects scheduled to come on stream in 2009

Production

- Production target of 225-231 mmboe

Financial Management

- Maintain prudent financial discipline

HSE

- Maintain company-wide focus and high standard on HSE



Long-term Production Growth

Expected Production Growth 2010-2015

(mmboe)





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