



CNOOC LIMITED
中国海洋石油有限公司

2009 Mid-Year Review
Media Briefing

August 26, 2009



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Agenda

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



Overview



Mid-Year Summary Highlights

- **Strong production growth**
 - Net production of 105.8 mm BOE, increased by 15.2% YoY, mainly driven by new fields commenced production in 2008 and 1H 2009
 - 5 projects including OML130, Tangguh LNG and Bozhong 28-2S started production
- **Successful exploration program**
 - 10 new discoveries and 8 successful appraisals
 - Breakthroughs in new areas/frontiers
- **Good control of production cost**
 - All-in cost up 3.9% YoY, down 1.4% from 2008
- **Net profit of RMB12.40 billion, a decrease of 55.0% YoY, mainly due to lower oil prices**
- **Continued high dividends payment**
 - Interim dividend of HK\$0.20 per share



Summary Results

- Net production recorded a strong growth of 15.2% YoY
- Net profit decreased by 55.0% YoY due to lower oil prices

(RMB MM)	1H 2009	1H 2008	% Change
Net Production (mm BOE)	105.8	91.8	15.2%
Oil and gas sales	32,523	54,464	-40.3%
Net marketing revenue	195	168	16.1%
Profit before tax	16,727	35,771	-53.2%
Income Tax	4,325	8,229	-47.4%
Net profit	12,402	27,542	-55.0%
EPS(RMB)	0.28	0.62	-54.8%



Production Results

1H 2009 1H 2008 change %

Net Production

Oil	mmbbl	87.3	72.7	20.1%
Gas	bcf	106.3	110.1	-3.5%
Total	mmboe	105.8	91.8	15.2%

Daily Production

Oil	bb/d	482,168	399,519
Gas	mmcf/d	587	605
Total	boe/d	584,767	504,637

Realized Price

Oil	US\$/bbl	49.35	102.49	-51.8%
Gas	US\$/mcf	3.90	3.66	6.6%

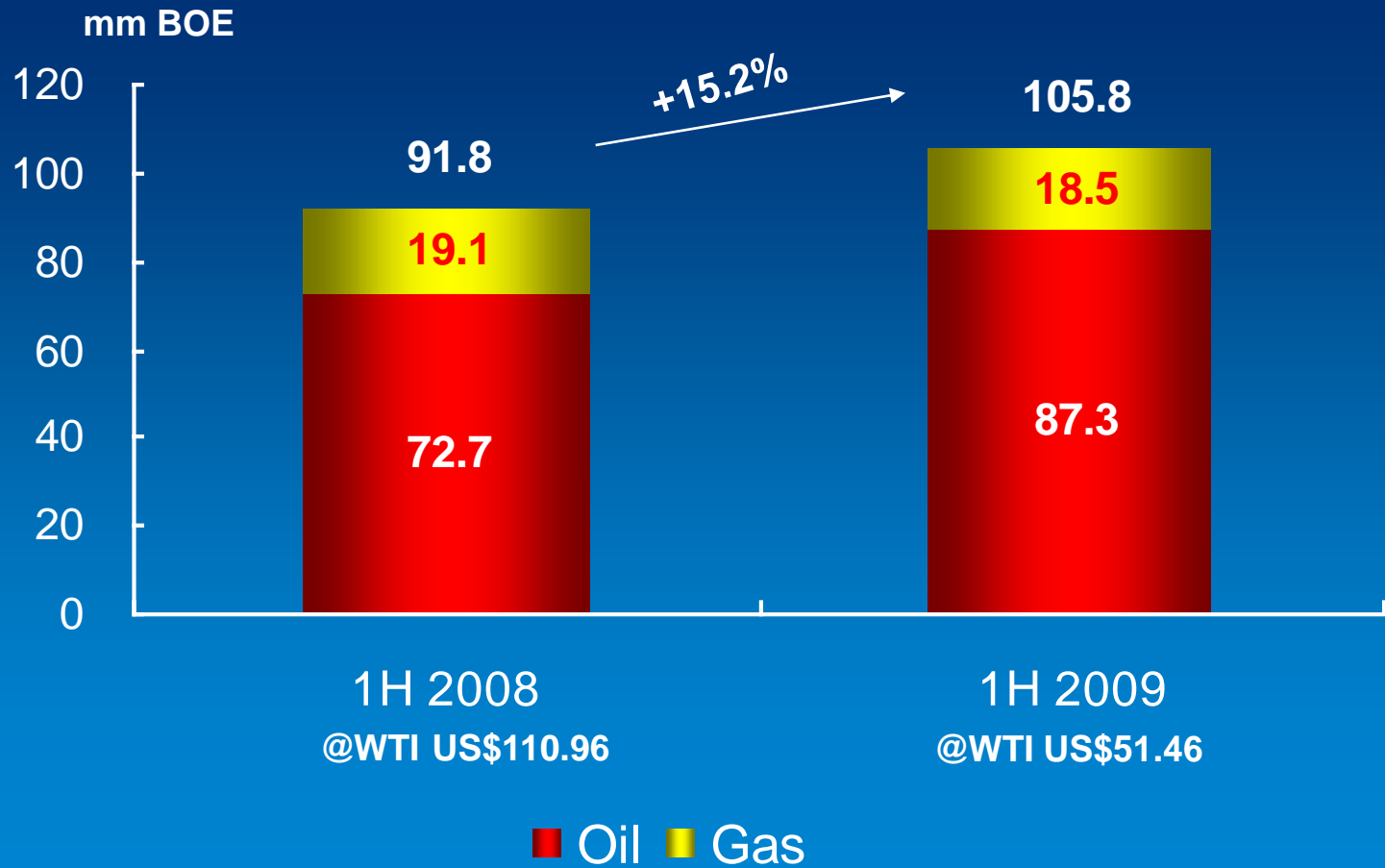
Net production of 1H 2009 is in line with our expectation, driven by stable performance of both new fields and producing fields



Solid Operating Results



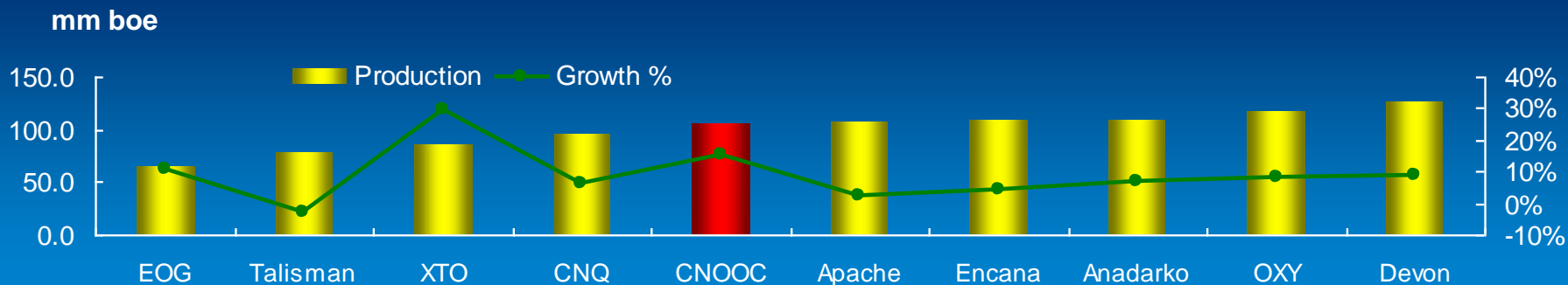
Production Growth



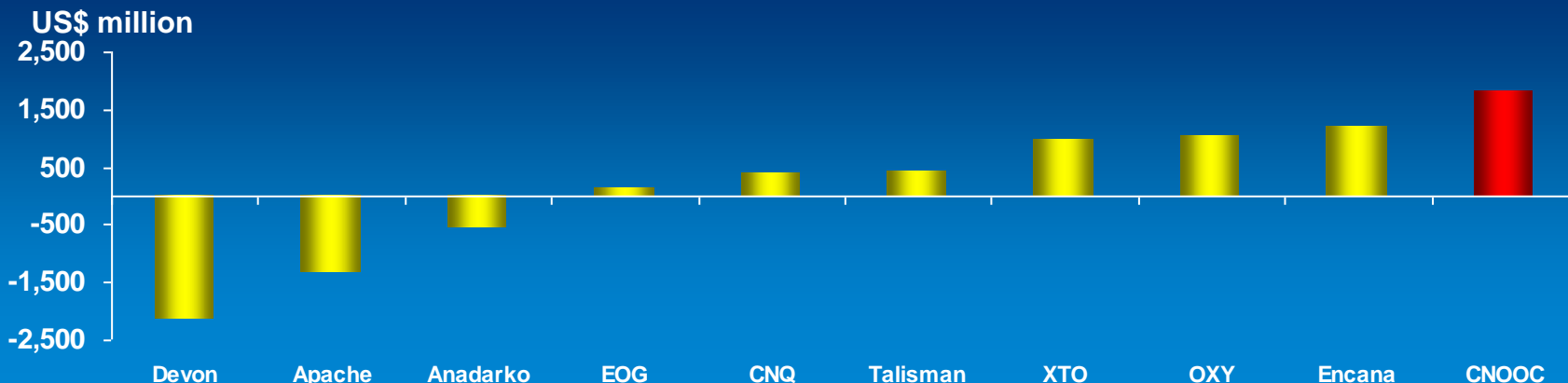


A Leading E&P Company

1H 2009 Production & Growth (YoY)





1H 2009 Net Profit





Major Development Highlights

-  Under Construction
-  On Stream



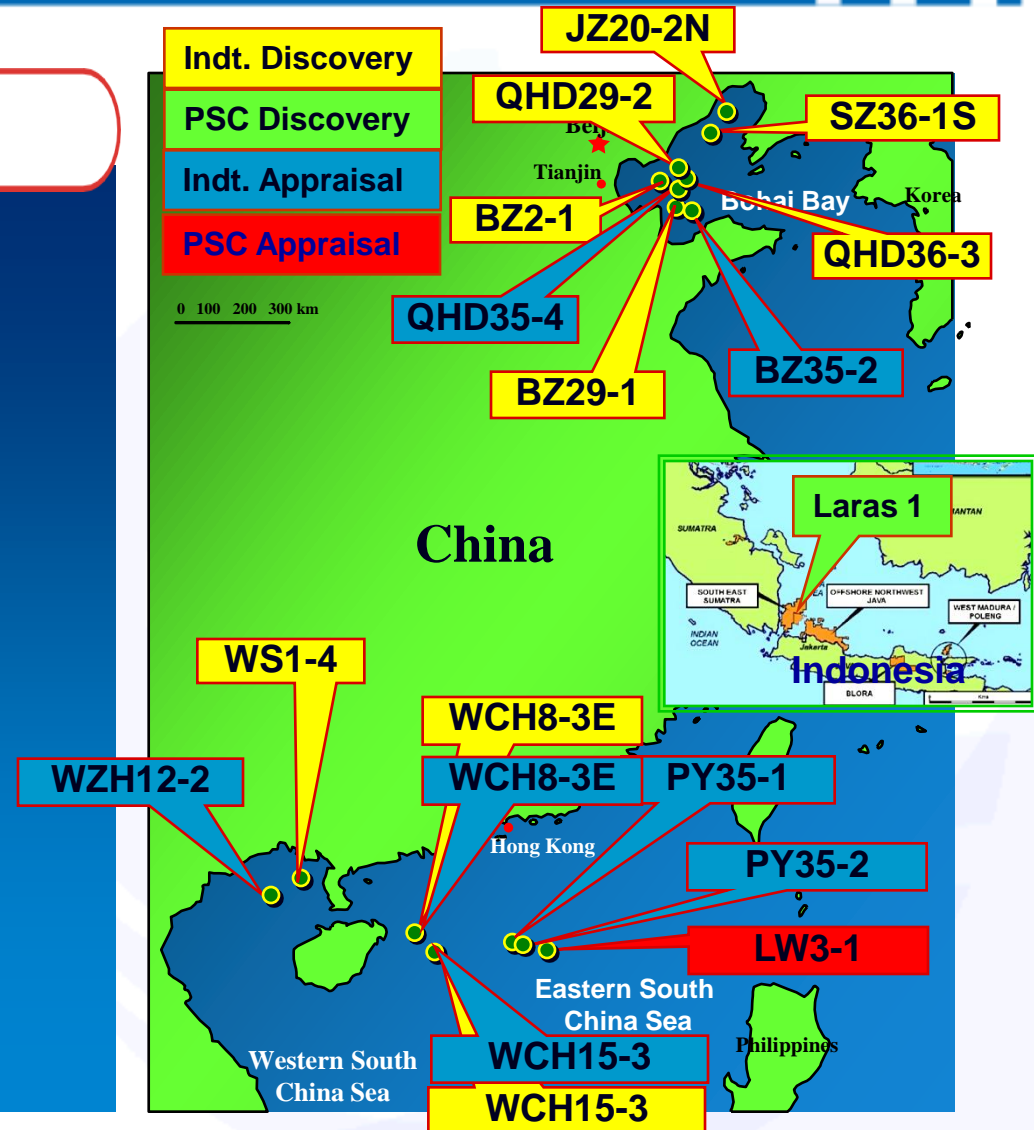
10 new projects planned to come on stream in 2009, 5 of which have started production successfully



Oil and Gas Discoveries/Appraisals

Discoveries/Appraisals

- 10 discoveries
 - JZ20-2N
 - SZ36-1S
 - QHD29-2
 - BZ2-1
 - QHD36-3
 - BZ29-1
 - WS1-4
 - WCH8-3E
 - WCH15-3
 - Laras 1 (PSC, Indonesia)
- 8 appraisals
 - QHD35-4
 - BZ35-2
 - WZH12-2
 - WCH8-3E
 - WCH15-3
 - PY35-1
 - PY35-2
 - LW3-1 (PSC)





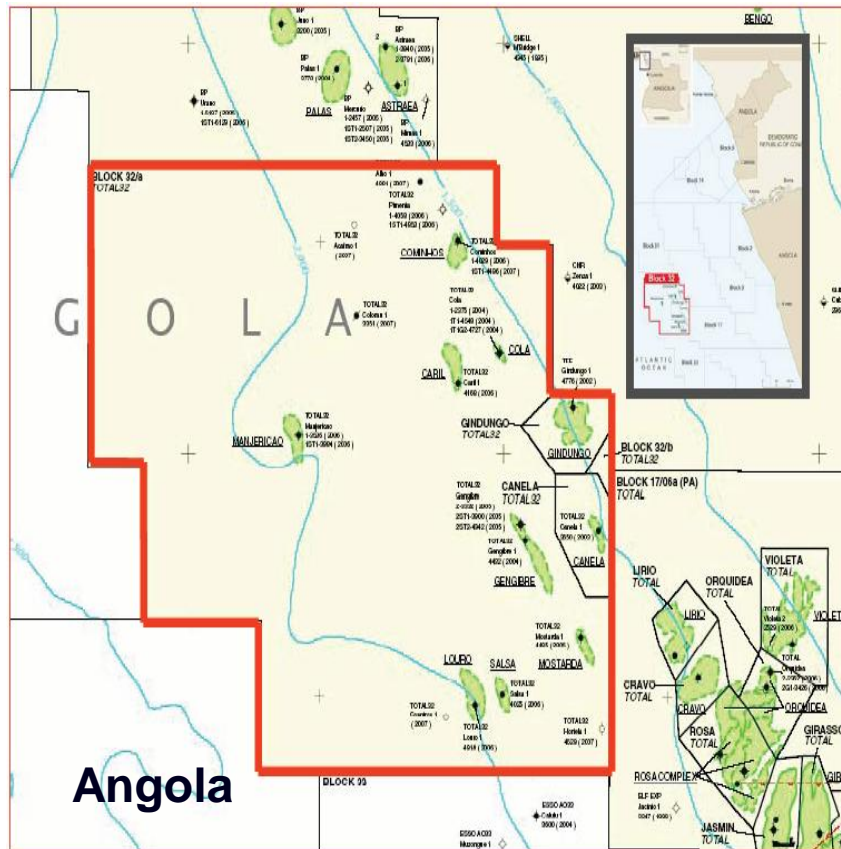
HSE Performance

- CNOOC Limited strives to achieve the highest standards in terms of its health, safety and environmental performance
 - Health and safety incidents are closely monitored and recorded and promptly reported to government agencies and organizations

	<u>1H 2009</u>	<u>1H 2008</u>
Rate of Recordable Cases (per 200,000 man hours)	0.12	0.12
Rate of Lost Workdays Cases (per 200,000 man hours)	0.05	0.01



Acquisition of Block 32 in Angola



- **Target assets :**
 - Total 20% interest of Block 32, through a 50:50 joint venture with Sinopec
- **Total consideration :**
 - US\$1.3 billion
- **Twelve previously announced discoveries include:**
 - Gindungo, Canela, Cola, Gengibre, Mostarda, Salsa, Caril, Manjericao, Louro, Cominhos, Colorau and Alho.
- **Current status:**
 - Conceptual development studies underway

We have signed a Sale and Purchase Agreement to acquire a 20% working interest in Block 32, subject to government and regulatory approvals and the pre-emption rights of other parties



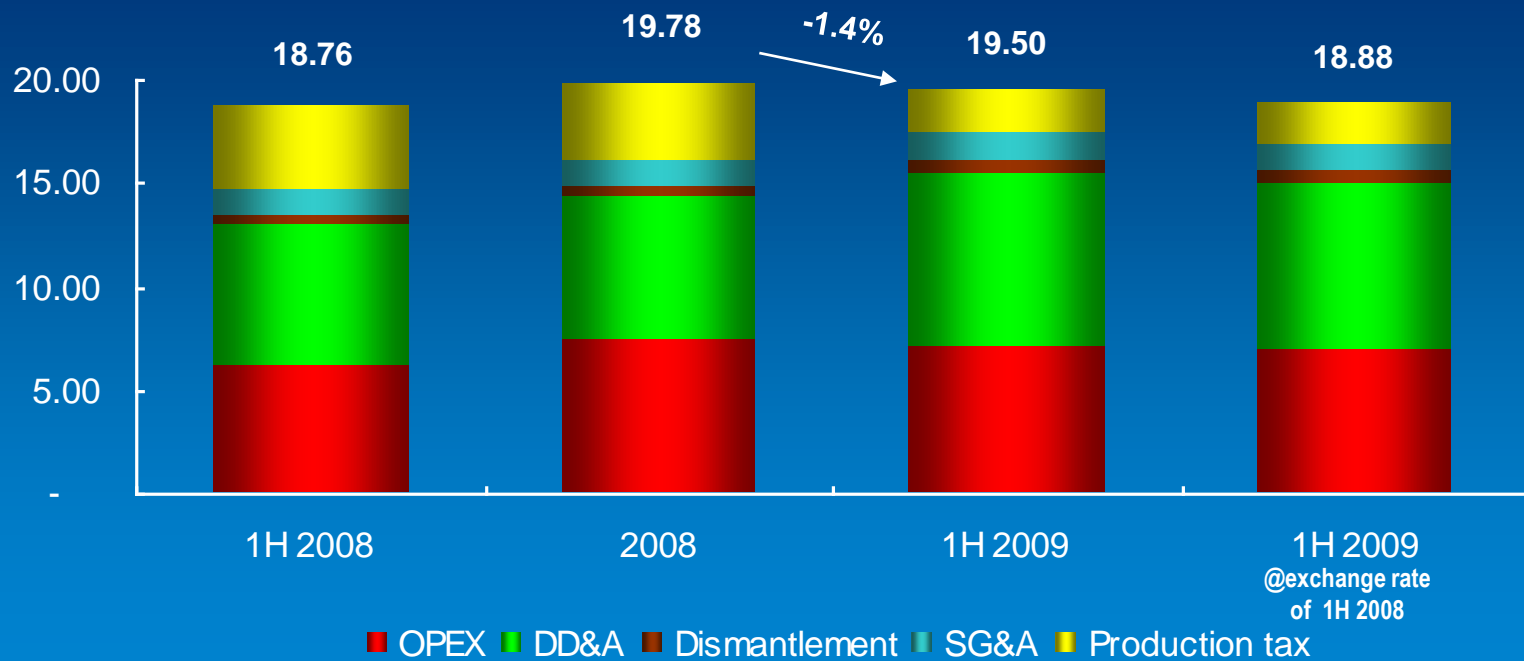
Financial Performance



Costs Under Good Control

All-in Production Cost

US\$/BOE

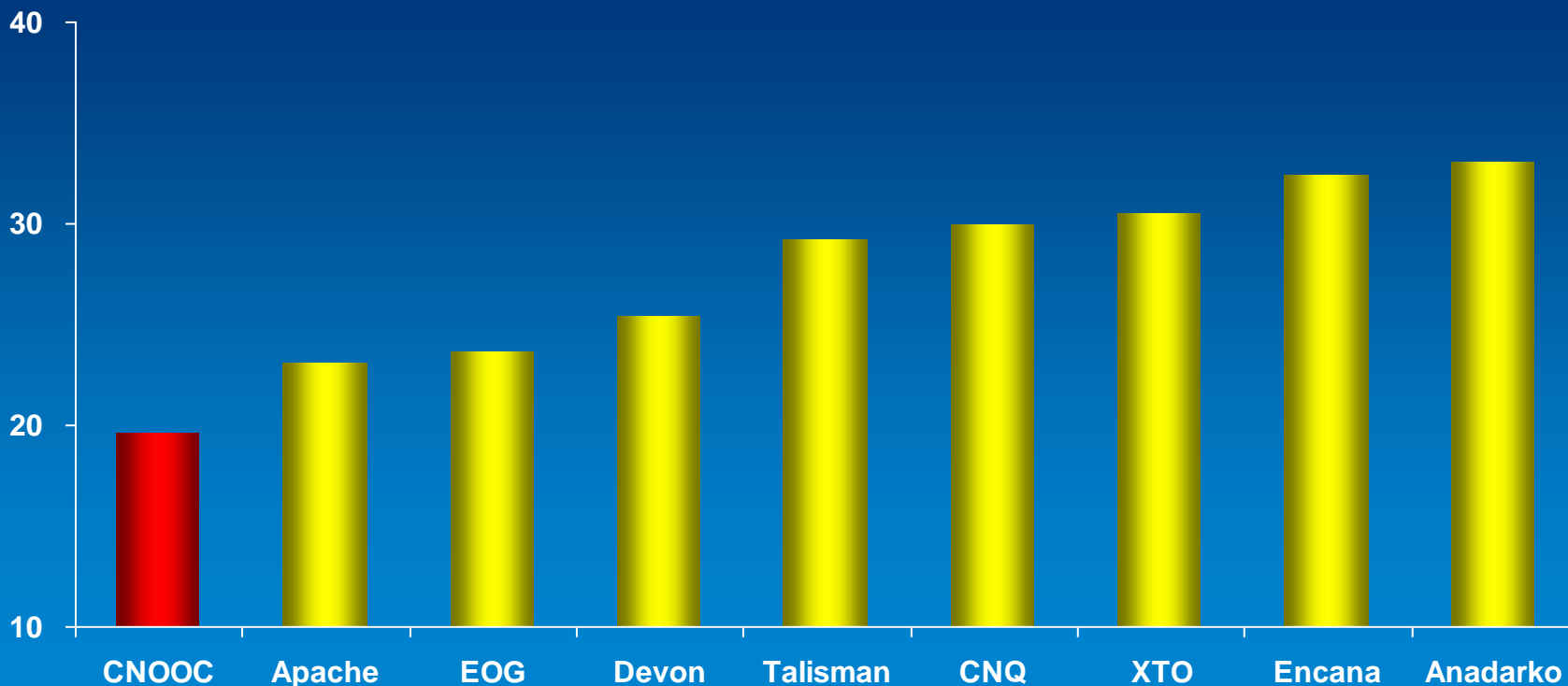




Costs Leading Peers

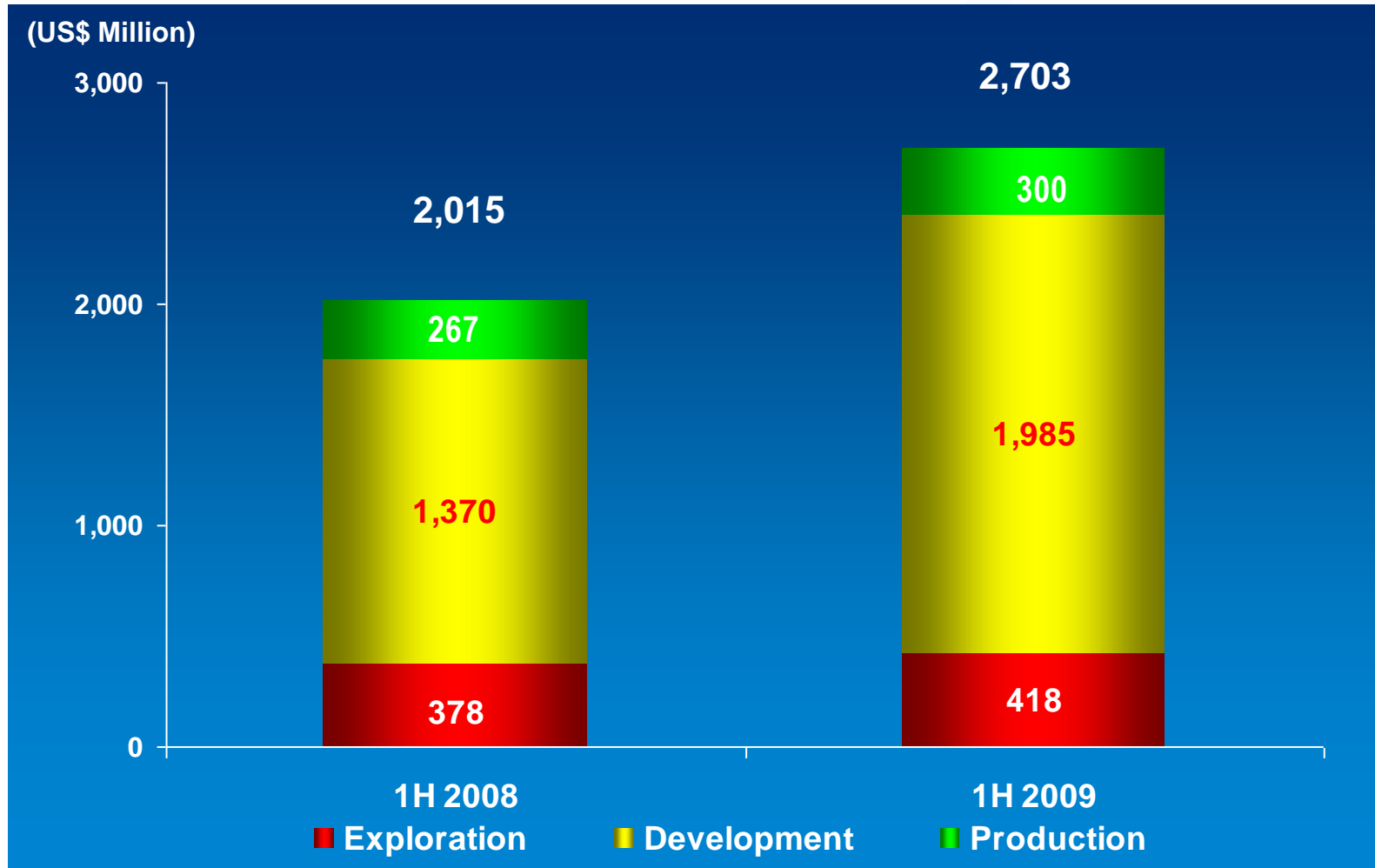
1H 2009 Unit All-in Costs

US\$/BOE





Capital Expenditure



Our CAPEX mainly goes to projects including OML130, PLI9-3 Phase II, JZ25-1S



Mid-Year Dividend

- **The Board of Directors has approved a dividend of HK\$0.20 per share for 1H 2009**
 - **Approximately 63.5% payout of net profit**
 - **3.66%⁽¹⁾ interim dividend yield**
 - **Dividend per share flat from 2008 interim dividend**
- **This dividend is based upon our future earnings, capital requirements, financial conditions, as well as cash flows**

(1) Based on share price of HK\$10.94 as of August 10, 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



<http://www.cnooc.com>