CNOOC Limited

CNOOC Ltd. Established Joint Venture with Bridas Energy Holdings

March 14, 2010
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 “believe”, “intend”, “expect”, “anticipate”, “project”, “estimate”, “plan”, “predict” and similar expressions are intended to identify such forward-looking statements. These statements are based on assumptions and analyses made by us that we believe are reasonable under the circumstances. However, whether actual results and developments will meet our expectations and predictions depend on a number of risks and uncertainties which could cause our actual results, performance and financial condition to differ materially from our expectations. For a description of these and other risks and uncertainties, please see the documents we file from time to time with the United States Securities and Exchange Commission, including our 2008 Annual Report on Form 20-F filed on May 8, 2009.
CNOOC Ltd. will form a 50%/50% joint venture with Bridas Energy Holdings Ltd (“BEH”) in Bridas Corporation (“Bridas”).

CNOOC Ltd. and BEH will jointly make management decisions for Bridas.

Bridas is a holding company with a 40% interest in Pan American Energy (“PAE”), the second largest Argentine E&P company that is jointly owned by Bridas and BP.

Closing is subject to necessary government and regulatory approvals of People’s Republic of China, and is anticipated to occur in the first half of 2010.

The consideration for this transaction is approximately US$3.1 billion in cash.
Disciplined M&A Strategy

Growth strategy

- Reserves and production growth
- Develop natural gas
- Prudent financial policy

M&A tactics

- Opportunistic
- Value-driven
- Return & risk evaluation
  - Resources
  - Return
  - Risk profile

Indonesia SES: 2002
- Consideration: US$585mm
- 16.96% interest in Indonesia Tangguh: 2003–2004
- Consideration: US$275mm

Indonesia: Malacca, SES/ONWJ, etc.
- Indonesia SES: 2002
- Consideration: US$585mm

Indonesia: Tangguh LNG Project
- 16.96% interest in Indonesia Tangguh: 2003-2004
- Consideration: US$275mm

Nigeria: OML 130
- 45% interest in Nigeria OML130: 2006
- Consideration: US$2.268bn

Australia: NWS LNG Project
- 5.3% interest in Australia NWS: 2003
- Consideration: US$348mm
An important step of our business globalization plan

Key assets of CNOOC around the globe

Strategic entry into Latin America through partnership with BEH
Latin America offers significant growth and resources potential...

- Recent substantial discoveries in Brazil have been transformational for the upstream sector of Latin America.
- Strong drilling activity in the past years with record number of wells drilled during 2008.
  - One of the fastest growing regions in capex terms.
- Major reserve booking potential.
- Positive responses from key industry players in recent licensing rounds.

**Global proven reserves breakdown by region (2008)**

- Total proved reserves: 2,347bn boe
- 166bn boe
- Latin America: 7%
- Africa: 9%
- Europe & Eurasia: 22%
- M. East: 51%
- Other: 11%

**Trend of 2p reserves discovered in Latin America (mmboe)**

- Record levels for the region.

**2008 capital spending increase comparison by region (yoy)**

- Worldwide average - 21%
- Western Hemisphere: 34%
- Asia Pac.: 33%
- Africa & M. East: 25%
- U.S.: 23%
- Europe: 11%
- Canada: 9%
- Russia: -7%

Source: J.S. Herold

Notes: 1 U.S. and Asia-Pacific.
Many Latin American countries experienced stable macroeconomic and political profile in the past few years (political instability concentrated in few specific countries).

Latin-American economies have responded well to the recent crisis with faster recovery expected in the region.

Country risks levels have decreased, as evidenced by credit rating upgrades in Peru, Colombia & Brazil.

Argentina offers a relatively stable macroeconomic environment.
Partnership with BEH provides outstanding platform for growth...

- CNOOC Ltd. believes that forming a joint venture with a local partner is critical for its success in overseas expansions.

- BEH is an ideal partner for CNOOC Ltd.
  - Over 50 years of experiences in E&P business across Latin America, Central Asia and North America
  - Its on-shore oil and gas experience complements CNOOC Ltd.’s off-shore expertise

- Bridas provides an unique opportunity for CNOOC Ltd. to enter into the Latin America market.
  - World-class asset portfolio has a large resources base
    - 1P reserve\(^1\) of 636mmboe (38% gas) and 2009 average production of 92mboepd
    - Significant upside potential from projects under development and exploration
  - Competitive cost structures
  - Strong management team with a proven track record
  - Long-standing partnership with international oil companies

Note: \(^1\)As at December 31, 2009
PAE has a world-class upstream asset portfolio with large resources base with exposure to Latin America

**Exploration and production main blocks and reserves**

Dec 31, 2009 certified reserves (mmboe)

- **Total 1P: 1,590mmboe**
- **Gas, 38%**
- **Oil, 62%**

**Attractive upstream portfolio**

- 11 producing blocks (6 PAE operated) including:
  - Cerro Dragon (100%)
    - 60%+ of PAE reserve & production
  - Acambuco (52%)
  - Cuenca Marina Austral (25%)

- 9 exploration blocks, including:
  - GSJM Offshore (90%) — 9,000km² acreage
Bridas’ upstream operations are cost competitive

<table>
<thead>
<tr>
<th>2008A Opex per barrel (US$/boe)</th>
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<tbody>
<tr>
<td>ENCANA</td>
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<tr>
<th>2008A DD&amp;A per barrel (US$/boe)</th>
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<td>ENCANA</td>
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<tr>
<th>2008A All-in cost per barrel (US$/boe) (No exploration cost included and for Bridas, Export Duty excluded)</th>
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Sources: Company disclosure
Bridas’ management team has successfully delivered strong performance growth

Bridas exhibited continued oil and gas production growth (2009 vs 2001)

Between 2001 and 2009, Bridas demonstrated an impressive track record of generating production growth in both oil and gas

Sources: Company disclosure
Potential upside considerations

**Long term growth potential**
- Strong energy demand driven by long term growth potential on the expected Argentine economy recovery

**Favorable industry environment**
- Encouragement of hydrocarbons investment by the Argentine Government through incentive programs
  - Petróleo Plus
  - Gas Plus

**Significant exploration upside**
- Exciting exploration portfolio of Bridas in Argentina
  - GSJM Offshore (acreage: 9,000km²; 3D seismic acquired: 1,700km²)

**Volume upside**
- Opportunity to raise production by increasing recovery rates from mature fields using proven technologies

GDP growth potential of Argentina

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<td>Recovery after impact of crisis</td>
<td>8.8%</td>
<td>6.8%</td>
<td>-4.0%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Potential for further recovery</td>
<td>10%</td>
<td>5%</td>
<td>0%</td>
<td>5%</td>
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Source: J.P. Morgan Economic Research
Positive pro-forma impact - Immediate addition to production and reserves with geographic diversification

## Net Proved Reserves (mmboe)—as at December 31

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<tr>
<th></th>
<th>2008A CNOOC Ltd. standalone</th>
<th>2009A Bridas (net to CNOOC Ltd.)</th>
<th>Pro-forma CNOOC Ltd.</th>
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</thead>
<tbody>
<tr>
<td>Africa-ME</td>
<td>3.5%</td>
<td></td>
<td>11.2%</td>
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<tr>
<td>Oceania</td>
<td>5.0%</td>
<td></td>
<td>3.1%</td>
</tr>
<tr>
<td>Rest of Asia</td>
<td>7.9%</td>
<td></td>
<td>7.0%</td>
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<tr>
<td>China</td>
<td>83.6%</td>
<td></td>
<td>74.2%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,515mmboe</strong></td>
<td><strong>318mmboe</strong></td>
<td><strong>2,833mmboe</strong></td>
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## Net production (mboepd)

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<th>Pro-forma CNOOC Ltd.</th>
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<tr>
<td>Rest of Asia</td>
<td>8.1%</td>
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<tr>
<td>Oceania</td>
<td>4.1%</td>
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<tr>
<td>China</td>
<td>87.8%</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>531mboepd</strong></td>
<td><strong>46mboepd</strong></td>
<td><strong>577mboepd</strong></td>
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**+9%**
Implied valuation consistent with precedent transactions

Proven reserve multiples of Argentine and Latin American E&P transactions since 2005 (US$/boe)

<table>
<thead>
<tr>
<th></th>
<th>CNOOC Ltd.-Bridas</th>
<th>Latest transaction (Pluspetrol/PetroAndina) Nov 2009</th>
<th>Argentina median</th>
<th>LatAm median</th>
</tr>
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<tr>
<td></td>
<td>10.6</td>
<td>16.5</td>
<td>11.0</td>
<td>10.7</td>
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Source: Herold
Note: Multiples based on enterprise value

1 Includes only transactions with total consideration size larger than US$100mm
3 Includes 19 transactions: 7 in Colombia, 6 in Argentina, 3 in Venezuela, 2 in Peru and 1 in Ecuador
Closing Remarks

Another step of globalization
- Strategic entry into Latin America
- Partnership with potential for global expansion

Strategic partnership with BEH
- 50/50 partnership with BEH with a joint control over Bridas
- Benefiting from BEH’s extensive industry expertise and unmatched local market knowledge

Industrial logic and upside
- World-class asset portfolio with a large resources base
- Significant upside potential from projects under development and exploration

Joint-control

50%  Bridas Energy Holding Ltd  50%

Bridas
Bridas Corporation  40%

Pan American ENERGY

50%

Bridas Energy Holding Ltd

50%

Joint-control

50%  Bridas Energy Holding Ltd  50%

Bridas
Bridas Corporation  40%

Pan American ENERGY

50%

Bridas Energy Holding Ltd

50%