



**CNOOC Limited**  
**中国海洋石油有限公司**

# 2017 Third Quarter Review

**Financial and Operating Highlights**  
**for the Quarter Ended September 30, 2017**



# Disclaimer

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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 Annual Report on Form 20-F filed in April of the latest fiscal year.

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# Overview

## Operation Highlights

- Net production of 116.2 million boe in Q3 and 354.1 million boe for the first three quarters, outperformed our budget for the same period
- 5 new discoveries and 9 successful appraisal wells
- As of the end of the third quarter, four out of five new projects planned for 2017 already came on stream, Weizhou 12-2 oil field Phase II project is under installation and commissioning

## Financial Results

- Oil and gas sales revenues of RMB 35.94 billion, up 16.9% YoY
- Capex of RMB 11.78 billion, up 1.0% YoY
- Realized oil price of US\$ 50.87/bbl, up 20.4% YoY
- Realized gas price of US\$ 6.05/mcf, up 15.9% YoY

# Production Summary

	2017Q3*			2016Q3*		
	Crude and Liquids (mm bbls)	Natural Gas (bcf)	Total (mm boe)	Crude and Liquids (mm bbls)	Natural Gas (bcf)	Total (mm boe)
<b>China</b>						
Bohai	39.6	13.1	41.8	40.9	11.3	42.8
Western South China Sea	9.0	24.6	13.1	8.4	25.1	12.6
Eastern South China Sea	13.7	23.1	17.6	16.4	14.3	18.8
East China Sea	0.4	5.2	1.3	0.4	5.7	1.3
<b>Subtotal</b>	<b>62.7</b>	<b>66.1</b>	<b>73.8</b>	<b>66.0</b>	<b>56.5</b>	<b>75.6</b>
<b>Overseas</b>						
Asia (Ex. China)	5.1	13.4	7.5	4.4	15.0	7.1
Oceania	0.5	10.6	2.6	0.4	12.2	2.8
Africa	6.6	-	6.6	7.7	-	7.7
North America (Ex. Canada)	3.9	12.0	6.0	4.7	11.4	6.6
Canada	5.8	2.0	6.1	4.6	4.4	5.3
South America	2.0	13.2	4.3	2.0	14.0	4.5
Europe	9.0	2.3	9.4	7.7	2.3	8.1
<b>Subtotal</b>	<b>32.9</b>	<b>53.6</b>	<b>42.4</b>	<b>31.6</b>	<b>59.2</b>	<b>42.1</b>
<b>Total</b>	<b>95.6</b>	<b>119.8</b>	<b>116.2</b>	<b>97.6</b>	<b>115.7</b>	<b>117.7</b>

\*Including our interest in equity-accounted investees, which is approximately 4.3 MMboe in 2017Q3 and 4.5 MMboe in 2016Q3.



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In 2017Q3, production percentage of China and overseas was 64% v.s. 36%; Crude liquids and natural gas was 82% v.s. 18%.

# Production Summary (Continued)

	2017YTD			2016YTD		
	Crude and Liquids (mm bbls)	Natural Gas (bcf)	Total (mm boe)	Crude and Liquids (mm bbls)	Natural Gas (bcf)	Total (mm boe)
<b>China</b>						
Bohai	120.0	39.8	126.7	127.4	35.9	133.4
Western South China Sea	27.3	74.9	40.0	27.7	72.9	40.0
Eastern South China Sea	48.1	64.8	58.9	50.6	47.8	58.6
East China Sea	1.2	16.7	4.0	1.0	15.8	3.6
<b>Subtotal</b>	<b>196.7</b>	<b>196.1</b>	<b>229.6</b>	<b>206.7</b>	<b>172.4</b>	<b>235.6</b>
<b>Overseas</b>						
Asia (Ex. China)	14.6	38.5	21.6	13.2	41.9	20.8
Oceania	0.9	24.7	5.8	1.1	30.1	7.0
Africa	20.8	-	20.8	22.1	-	22.1
North America (Ex. Canada)	12.3	34.9	18.2	13.1	33.9	18.7
Canada	14.8	9.9	16.4	9.4	13.4	11.6
South America	6.0	38.6	12.6	6.3	41.4	13.4
Europe	27.8	8.4	29.2	28.2	10.3	29.9
<b>Subtotal</b>	<b>97.2</b>	<b>155.0</b>	<b>124.5</b>	<b>93.4</b>	<b>170.9</b>	<b>123.6</b>
<b>Total</b>	<b>293.8</b>	<b>351.1</b>	<b>354.1</b>	<b>300.0</b>	<b>343.3</b>	<b>359.2</b>

For the first three quarters, our net production was 354.1 million boe, completing 77-79% of full-year target.

# Revenues and Capital Expenditure

(Unaudited) (RMB million)	3 months ended Sep 30			9 months ended Sep 30		
	2017	2016	Change %	2017	2016	Change %
<b>Sales Revenue</b>						
Crude and Liquids	31,639	27,230	16.2%	98,572	75,181	31.1%
Natural Gas	4,298	3,517	22.2%	12,308	10,649	15.6%
Marketing Revenue, net	203	323	-37.2%	902	918	-1.7%
Others	1,108	1,192	-7.0%	4,290	2,883	48.8%
<b>Total Revenue</b>	<b>37,248</b>	<b>32,262</b>	<b>15.5%</b>	<b>116,072</b>	<b>89,631</b>	<b>29.5%</b>
<b>Capital Expenditures*</b>						
Exploration	2,526	1,906	32.5%	7,285	6,190	17.7%
Development	7,865	8,059	-2.4%	21,828	23,312	-6.4%
Production	1,338	1,668	-19.8%	3,905	4,005	-2.5%
Others	50	35	42.9%	167	137	21.9%
<b>Total Capex</b>	<b>11,779</b>	<b>11,668</b>	<b>1.0%</b>	<b>33,185</b>	<b>33,644</b>	<b>-1.4%</b>
<b>Average Realized Prices</b>						
Oil (US\$/bbl)	50.87	42.26	20.4%	50.58	39.23	28.9%
Gas (US\$/mcf)	6.05	5.22	15.9%	5.80	5.40	7.4%



# Exploration Highlights

## Offshore China

## Overseas

Bonan		
Well	Type	Status
Bozhong 36-1-3	Appraisal	Successful
Bozhong 36-1-3Sa	Appraisal	Successful
Bozhong 36-1-4	Appraisal	Successful

Bozhong		
Well	Type	Status
Bozhong 13-1S-2d	Appraisal	Successful
Penglai 7-6-7	Appraisal	Successful
Bozhong 26-3W-1d	Wildcat	Successful
Bozhong 26-3W-2d	Appraisal	Successful
Bozhong 26-3N-1	Wildcat	Successful
Bozhong 29-1E-1	Wildcat	Successful

Guyana		
Well	Type	Status
Payara-2	Appraisal	Successful

Yulin35/Weizhou12		
Well	Type	Status
Weizhou 11-12-1d	Wildcat	Successful
Weizhou 11-12S-1d/Sa	Wildcat	Successful
Wushi 16-1W-6d/da	Appraisal	Successful

Brazil		
Well	Type	Status
NW8	Appraisal	Successful

**In the third quarter, we achieved 5 new discoveries and 9 successful appraisal wells.**





# Successful Exploration Progress-Offshore China



## Successful Appraisal of Wushi 16-1W

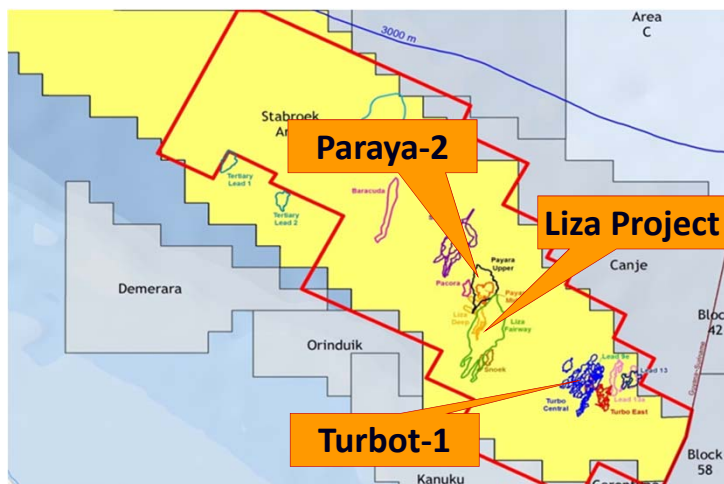
- Located in the west of Wushi Sag, Beibu Gulf basin.
- Successfully drilled Wushi 16-1W-2d, Wushi 16-1W-3d, Wushi 16-1W-4d and Wushi 16-1W-6d
- The structure expanding edge to the west successfully, and find new exploratory layer
- Expected to enhance Wushi Phase II development and help build it a mid-to-large size oilfield

Note: According to the Regulation of Petroleum Reserves Estimation of China, a mid-size oil and gas structure is defined as a structure with recoverable oil resources of  $\geq 2,500 \sim < 25,000$  thousand cubic meters and a large-size oil and gas structure is defined as a structure with recoverable oil resources of  $\geq 25,000 \sim < 250,000$  thousand cubic meters.



# Successful Exploration Progress-Overseas

## Stabroek Block Exploration Progress



### Successful appraisal of Payara structure

- Located 20 kilometers northwest to the Liza phase I project
- Appraisal well Payara-2 encountered oil pay zones with total thickness of 18 meters
- Drilled and completed at a depth of 5,812 meters
- Confirmed to be the second giant field discovered in Stabroek Block

### Successful drilling of Turbot Structure

- Located 50 kilometers southeast to the Liza phase I project
- Discovery well Turbot-1 encountered oil pay zones with thickness of 23 meters in the primary objective
- Drilled to the depth of 5,622 meters
- The fifth new oil discovery after Liza, Payara, Snoek and Liza Deep in Stabroek Block

# New Projects Brought on Stream as Planned

Project	Location	Status	Expected Startup	Peak Production (boe/d)	Working Interests
Penglai 19-9 oil field comprehensive adjustment	Bohai	Commenced production	First half	13,000	51%
Enping 23-1 oil fields	Eastern South China Sea	Commenced production	First half	24,800	100%
BD gas field	Indonesia	Commenced production	Second half	25,500	40%
Hangingstone Project	Canada	Commenced production	Second half	18,100	25%
Weizhou 12-2 oil field Phase II	Western South China Sea	Installation and commissioning	Second half	11,800	100%



Four out of five new projects planned for this year already commenced production.



# HSE Performance

- 🌐 Health, safety and environmental protection are always our top priorities
- 🌐 OSHA statistics maintained at good a level in the third quarter

	2017Q3	2016Q3
Rate of Recordable Cases	0.11	0.12
Rate of Lost Workdays Cases (per 200,000 man hours)	0.04	0.04



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