Management at Today's Meeting

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CFO  Xie Weizhi
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Agenda

- Macro-environment Overview
- 2021 Operating Guidance
- Outlook
Macro-environment Overview
COVID-19 Pandemic and the Global Economy

- COVID-19 continues to spread around the world, and vaccination has officially begun
- The World Bank predicts the global economy to grow 4% in 2021 and China's economy will grow 7.9%

Source: World Health Organization (as at 31 January 2021), World Bank
International Oil Prices

- International oil prices fell sharply in 2020 due to the COVID-19 pandemic and the unbalanced supply and demand in the crude oil market
- With large scale vaccination and the recovery of the global economy, international oil prices are expected to rebound

Source: IHS (2021.1)
Demand for Crude and Liquids

- Demand for crude and liquids will grow steadily around the world and in China

Source: IHS (2021.1)

Global crude and liquids demand forecast

<table>
<thead>
<tr>
<th>Year</th>
<th>(mmboe/day)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>88</td>
</tr>
<tr>
<td>2021</td>
<td>92</td>
</tr>
<tr>
<td>2022</td>
<td>96</td>
</tr>
</tbody>
</table>

China's crude and liquids demand forecast

<table>
<thead>
<tr>
<th>Year</th>
<th>(mmboe/day)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>14</td>
</tr>
<tr>
<td>2021</td>
<td>15</td>
</tr>
<tr>
<td>2022</td>
<td>16</td>
</tr>
<tr>
<td>2023</td>
<td>17</td>
</tr>
</tbody>
</table>
2021 Operating Guidance
2021 Operation Target

- Capex budget of RMB90-100 billion
- Production target of 545-555 mmboe
- 19 new projects to come on stream
- Reserve Replacement Ratio (RRR) of 120%
- High standards on HSE performance
Capex Plan

- Maintain prudent financial policy and pursue profitable growth of reserves and production

![Capex Plan Chart](chart.png)
2021 Capex Breakdown

- Focus on investment return and increase the investment in offshore China

- Exploration: 20%
- Development: 17%
- Production: 61%
- Others: 28%

- China: 72%
- Overseas: 28%
Exploration Strategy

- **Offshore China**
  - Make efforts on both oil and gas exploration and strengthen gas exploration activities
  - Maintain workload in middle-shallow layers, strengthen exploration in middle-deep layers and actively prepare for deep layers exploration
  - Increase efforts in risk exploration to achieve multiple breakthroughs in frontiers and new areas

- **Overseas**
  - Focus on strategic core areas
  - Focus on both operating and non-operating projects
Exploration in Offshore China

Continue to strengthen exploration on three levels and strive to achieve breakthroughs in new areas, new types and new layers

- **Strategic discovery**
  - Make strategic discovery in new areas and frontiers to ensure potential targets
  - Drill 34 exploration wells in 26 areas/frontiers including the southeast zone of Bozhong Sag

- **Strategic breakthrough**
  - Make strategic breakthrough in strategic discovery areas to expand the exploration layout
  - Drill 55 exploration wells in 25 areas/frontiers including Meishan Formation on the north slope of Lingshui

- **Strategic expansion**
  - Make strategic expansion in strategic breakthrough areas to consolidate the reserve base
  - Drill 111 exploration wells in 29 areas/frontiers including the north slope of Baiyun Sag
Exploration Workload

- Focus on mid-to-large sized oil and gas discoveries to achieve sustainable development

Note: Exclude unconventional exploration wells (100 estimated in 2020 and 148 planned in 2021). Exclude 3D Seismic Data acquired in unconventional fields (665 km² estimated in 2020 and 430 km² planned in 2021).
Development and Production Capex

- **Development Capex**
  - Actively promote key projects
    - China: Lingshui 17-2, Liuhua 21-2, etc.
    - Overseas: Mero Phase I in Brazil, Buzzard Phase II in UK, etc.
  - Accelerate the construction of projects and increase drilling efficiency
  - Promote the development of oil fields with heavy oil and low permeability reservoir

- **Production Capex**
  - Optimize the infill drilling program to improve oilfield recovery, increase single well production and reduce the decline rate
Production Target

- 2021 production target of 545-555 mmboe, with oil and gas representing 80% and 20%, respectively
- Adjusted production target of 2020 was 505-515 mmboe, while the expected production is 528 mmboe
New Projects in 2021

- 19 new projects are scheduled to come on stream in 2021 to boost the future production

<table>
<thead>
<tr>
<th>Project</th>
<th>Peak Production (boe/d)</th>
<th>Working interests</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Offshore China</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bozhong 19-4 oil field adjustment</td>
<td>9,300</td>
<td>83.8%</td>
</tr>
<tr>
<td>Bozhong 26-3 oil field expansion</td>
<td>2,060</td>
<td>100%</td>
</tr>
<tr>
<td>Caofeidian 11-6 oil field expansion</td>
<td>4,600</td>
<td>51%</td>
</tr>
<tr>
<td>Caofeidian 6-4 oil field</td>
<td>15,000</td>
<td>100%</td>
</tr>
<tr>
<td>Jinzhou 31-1 gas field</td>
<td>2,100</td>
<td>100%</td>
</tr>
<tr>
<td>Kenli 16-1 oil field</td>
<td>7,500</td>
<td>100%</td>
</tr>
<tr>
<td>Kenli 6-1 oil field block 4-1 development project</td>
<td>3,400</td>
<td>100%</td>
</tr>
<tr>
<td>Luda 29-1 oil field</td>
<td>2,890</td>
<td>100%</td>
</tr>
<tr>
<td>Luda 4-2 oil field block 4-3</td>
<td>5,900</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project</th>
<th>Peak Production (boe/d)</th>
<th>Working interests</th>
</tr>
</thead>
<tbody>
<tr>
<td>Luda 5-2N oil field</td>
<td>6,900</td>
<td>100%</td>
</tr>
<tr>
<td>Luda 6-2 oil field</td>
<td>9,000</td>
<td>100%</td>
</tr>
<tr>
<td>Qinhuangdao/Caofeidian onshore power project</td>
<td>7,400</td>
<td>75.5%</td>
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<tr>
<td>Lingshui 17-2 gas fields development</td>
<td>58,000</td>
<td>100%</td>
</tr>
<tr>
<td>Weizhou 11-2 oil field phase II</td>
<td>5,600</td>
<td>100%</td>
</tr>
<tr>
<td>Liuhua 21-2 oil field</td>
<td>15,070</td>
<td>100%</td>
</tr>
<tr>
<td>Liuhua 29-2 gas field</td>
<td>7,200</td>
<td>100%</td>
</tr>
<tr>
<td>Lufeng oil fields regional development</td>
<td>42,600</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Overseas</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buzzard oil field phase II</td>
<td>12,000</td>
<td>43.21%</td>
</tr>
<tr>
<td>Mero oil field phase I</td>
<td>171,000</td>
<td>10%</td>
</tr>
</tbody>
</table>
Key Projects in Offshore China

- Lingshui 17-2 Gas Fields Development
  - Located around 150 kilometres from Sanya, Hainan Province in South China Sea
  - First large-sized deep-water independent gas fields with a water depth of ~1,450 meters
  - Created the world's first deepwater development model of semi-submersible platform with 10,000-ton oil storage
  - Facilities: One semi-submersible platform for production and processing, one subsea production system and 11 wells
  - Stable gas supply of more than 3 billion cubic meters per year for the Guangdong-Hong Kong-Hainan area
Key Projects in Offshore China

- Lufeng oil fields regional development
  - Located 220-265 kilometres from Hong Kong in the South China Sea
  - Water depth of 140-330 meters
  - Facilities: Two DPP platforms, one subsea production system and 35 wells
  - Peak production: 42,600 boe/day
  - CNOOC Limited's interest: 100%

- Caofeidian 6-4 oil field
  - Located in the West-central of Bohai
  - Water depth of ~20 meters
  - Facilities: One CEP platform and 42 wells
  - Peak production: 15,000 boe/day
  - CNOOC Limited's interest: 100%
Key Projects Overseas

- **Mero oil field phase I in Brazil**
  - Located in the Santos Basin in southeast of Brazil
  - Ultra-deep water pre-salt project with a water depth of 1,800-2,400 meters
  - Facilities: One FPSO and 17 wells
  - Peak production: 171,000 boe/day
  - CNOOC Limited's interest: 10% (Petrobras acts as operator)

- **Buzzard oil field phase II in UK**
  - Located in UK North Sea
  - Shallow water adjustment project with a water depth of ~100 meters
  - Facilities: 4 wells
  - Peak production: 12,000 boe/day
  - CNOOC Limited's interest: 43.21% (acts as operator)
Maintain Safe and Stable Production and Operation

- Adhere to bottom line of safe and healthy development, and maintain the good performance on the normalization of pandemic prevention
- Focus on improving risk management, and scientifically prevent the impact of natural disasters such as sea ice and typhoons
Outlook
Future Operating Strategy

Continuously improve value creation capabilities to bring more returns to shareholders

- Strengthen the efforts in nature gas exploration
- Promote further production growth
- Focus on investment returns
- Maintain cost competitiveness
- Optimize the layout of overseas assets
- Adhere to the low-carbon development principle
Three-year Rolling Target

<table>
<thead>
<tr>
<th>Year</th>
<th>Estimate</th>
<th>Budget</th>
<th>Target 1</th>
<th>Target 2</th>
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<tbody>
<tr>
<td>2020</td>
<td>528</td>
<td>545-555</td>
<td>590-600</td>
<td>640-650</td>
</tr>
<tr>
<td>China (mmboe)</td>
<td>67%</td>
<td>68%</td>
<td>66%</td>
<td>66%</td>
</tr>
<tr>
<td>Overseas (mmboe)</td>
<td>33%</td>
<td>32%</td>
<td>34%</td>
<td>34%</td>
</tr>
</tbody>
</table>
Adhere to the Low-carbon Development Principle

**Actively respond to climate change and build a low-carbon company**

- Promote low-carbon transformation
  - Increase the supply of clean energy such as natural gas
  - Drive energy conservation and emission reduction by innovation
  - Gradually implement carbon capture, reinjection and reuse

- Actively explore new energy development
  - Steadily advance offshore wind power
  - Invest in new energy development research
Promote Low-carbon Transformation

- Stabilize oil production and promote natural gas supply
  - Promote major natural gas projects such as Lingshui 17-2 and Bozhong 19-6
  - Strengthen the efforts in onshore unconventional gas development

- Strengthen "innovation-driven" principle and use new technologies to promote energy conservation and emission reduction
  - Implement technical measures such as energy-saving by large pumps, waste heat utilization, power supply optimization and associated gas recovery
  - Qinhuangdao/Caofeidian onshore power project will commence production in 2021, reducing CO₂ emission of approximately 170,000 tons per year

Proportion of natural gas production

- 21% (2020)
- 30% (2025)
Actively Explore New Energy Development

- Focus on offshore new energy business
  - Invest ~5% of annual Capex in new energy sector
  - Steadily advance offshore wind power business
  - Carry out exploratory research of technologies in frontier fields
Thank you!