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Outline

- Operating Strategy
- 2019 Operating Guidance
- Outlook
2019 Operating Strategy

- Steadily increase oil and gas reserves and production levels
- Promote high-quality development of the Company
- Digital transformation helps improve core businesses
- Maintain prudent financial policy and investment decision-making
- Pursue a green, low-carbon and environment-friendly development model
2019 Overview

Capex budget of RMB70-80 billion
Production target of 480-490 mmboe
Six new projects to come on stream in 2019
Reserve Replacement Ratio (RRR) of 120%
Maintain high standards on HSE performance
Capex Plan

Increase Capex to support the Company's high-quality development

(RMB bn)

2017  50.1  Exploration  Development

2018E  63.0  Exploration  Development

2019B  70-80  Exploration  Development

Increase Capex to support the Company's high-quality development.
2019 Capex Breakdown

Capex in China will increase substantially in 2019

- **Exploration**: 19%
- **Development**: 20%
- **Production**: 59%
- **Others**: 2%

- **China**: 62%
- **Overseas**: 38%
Enhanced Efforts on Exploration

Enhance efforts on exploration and maintain high-quality exploration results to support the Company's mid-to-long term sustainable growth.

- **Exploration wells**
  - 2018E: 164
  - 2019B: 173

- **3D Seismic (’000 km²)**
  - 2018E: 14
  - 2019B: 28

Note: Excludes unconventional exploration wells (35 estimated in 2018 and 73 planned for 2019)
Increase Domestic Exploration Activities

Domestic exploration accounts for a high proportion of total investment

- Focus on mid-to-large discoveries, and stress value-driven exploration philosophy
- Continue to optimize exploration portfolios, make efforts on both oil and gas exploration and strengthen gas activities
- Adhere to mature and rolling areas and enhance investment in frontier new areas and new layers to ensure sustainable development

Natural Gas Exploration in Offshore China

![Map of Natural Gas Exploration in Offshore China](image)

- Exploration Capex Breakdown in 2019
  - China: 24%
  - Overseas: 76%

- Domestic Exploration Capex (RMB bn)
  - 2016: 6.2
  - 2017: 8.0
  - 2018E: 10.0
  - 2019B: ~12
Actively Engage in Overseas Exploration

Overseas Exploration Investment

- Accelerate the progress of existing projects
- Actively participate in high-quality new projects and continuously expand the exploration radius
Recoverable Resources of More Than 5 Billion BOE in the Stabroek Block Guyana

High resource potential

- 5 discoveries were achieved in 2018
- 10 successful discoveries have been made to date
- The recoverable resource increased from 3.2 billion to more than 5 billion BOE in 2018

Total Recoverable Resources (Billion BOE)

- 2018 YB: 3.2
- 2018 YE: 5.0
Great Exploration Potential

- Excellent petroleum geological conditions
  - Excellent source rock
  - Multiple types and high-quality oil-bearing reservoirs
  - Various plays
  - Multiple future prospects

Santonian - Maastrichtian Deposition
Hammerhead appraisal
- First Miocene Oil discovery
- Encountered approximately 60 meters of high-porosity and high-permeability sandstone reservoir
- More appraisal required, expected completion by 2019

Continue to explore and appraise in Turbot area
- Made Pluma discovery recently, and more prospects to be drilled
- Conduct additional exploration and appraisal work in the Turbot area in 2019

Begin the appraisal of Ranger discovery
- First oil discovery in Carbonate reservoir
- Encountered approximately 70 meters of high-quality oil-bearing carbonate reservoir
- Drill and test appraisal well
Development and Production Promote Stable Production

Development Capex

- Ensure the key projects to proceed construction on schedule
  - China: Lingshui 17-2, Liuhua 16-2/20-2, Luda 21-2/16-3S, etc.
  - Overseas: Liza Phase I, Appomattox, etc.
- Accelerate the implementation of new development wells and strive to bring them on stream ahead of schedule

Production Capex

- Continue to optimize the infill drilling programs to ensure a record high workload in 2019
The 2019 production target of 480-490 mmboe, with oil and gas representing 81% and 19%, respectively.
# New Projects in 2019

<table>
<thead>
<tr>
<th>Project</th>
<th>Location</th>
<th>Expected Startup</th>
<th>Peak Production (boe/d)</th>
<th>Working Interests</th>
</tr>
</thead>
<tbody>
<tr>
<td>Egina oil field</td>
<td>Nigeria</td>
<td>Commenced production</td>
<td>200,000</td>
<td>45%</td>
</tr>
<tr>
<td>Huizhou 32-5 oil field comprehensive adjustment/Huizhou 33-1 oil field joint development project</td>
<td>Eastern South China Sea</td>
<td>Commenced production</td>
<td>19,200</td>
<td>100%</td>
</tr>
<tr>
<td>Bozhong 34-9 oil field</td>
<td>Bohai</td>
<td>First half</td>
<td>22,500</td>
<td>100%</td>
</tr>
<tr>
<td>Appomattox project</td>
<td>U.S. GoM</td>
<td>Second half</td>
<td>175,000</td>
<td>21%</td>
</tr>
<tr>
<td>Caofeidian 11-1/11-6 comprehensive adjustment project</td>
<td>Bohai</td>
<td>Second half</td>
<td>28,700</td>
<td>51%~60%</td>
</tr>
<tr>
<td>Wenchang 13-2 comprehensive adjustment project</td>
<td>Western South China Sea</td>
<td>Second half</td>
<td>11,500</td>
<td>100%</td>
</tr>
</tbody>
</table>

6 new projects are scheduled to come on stream in 2019.
Egina Oil Field

- Located 130km away from Nigeria coast
- Ultra-deepwater development project with water depth of ~1,600 meters
- Facility details:
  - One FPSO
  - 44 subsea wells
- Peak production: 200,000 boe/day
- CNOOC Limited’s interest: 45% (Total acts as the operator)
Appomattox Project

- Located in the US Gulf of Mexico 130 km from Louisiana, including Appomattox and Vicksburg fields
- Ultra-deepwater development project with water depth of ~2,200 meters
- Facility details:
  - One central platform
  - 15 subsea producing wells and 5 subsea water injection wells
- Peak production: 175,000 boe/day
- CNOOC Limited’s interest: 21% (Shell acts as the operator)
Bozhong 34-9 Oil Field

- Located in Bohai with water depth of 18 meters
- Facility details:
  - One central platform and one wellhead platform
  - 60 producing wells
- Peak production: 22,500 boe/day
- CNOOC Limited’s interest: 100%
Caofeidian 11-1/11-6 Comprehensive Adjustment

- Located in Bohai with water depth of 20 - 25 meters
- Facility details:
  - Two central platforms
  - 89 producing wells
- Peak production: 28,700 boe/day
- CNOOC Limited acts as the operator and owns: 51% (CFD 11-1), 60% (CFD 11-6)
## A Long Pipe of Projects Support Production Growth

### Offshore China
- Qinhuangdao 33-1S oil field
- Bozhong 19-6 gas field test area
- Nanbao 35-2 oil filed S1 area
- Luda16-3 oil field
- Luda 21-2 oil field
- Caofeidian 6-4 oil field
- Luda 29-1 oil field
- Liuhua 29-1 gas field
- Liuhua 16-2/20-2 oil field joint development
- Luda 6-2 oil field
- Penglai 25-6 oil field 3 area
- Luda 5-2N oil field
- Lingshi 17-2 gas fields
- Jinzhou 25-1 oil field 6/11 area
- Bozhong 19-6 gas field phase I
- Lufeng oil fields
- Liuhua 21-2 oil field
- Wushi 17-2 oil fields
- Dongfang 1-1 gas field SE area/Ledong 22-1 gas field south area
- Wushi 23-5 oil fields
- Weizhou 12-8E oil field
- Liuhua 29-2 gas field

### Overseas
- Hokchi oil field
- Liza oil field Phase I
- LLSW project
- Tangguh Phase II project
- Buzzard oil field Phase II
- Mero oil field
- Preowei oil field
- Kingfisher oil field
- Tilenga oil field
- Liza oil field Phase II
- Meadow Creek project

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CNOOC Limited

中国海洋石油有限公司
Three-year Rolling Target

Increase oil and gas reserve and production levels to improve shareholder returns

- **2018 Estimate**: (mmboe) 475, China 35%, Overseas 65%
- **2019 Budget**: (mmboe) 480-490, China 37%, Overseas 63%
- **2020 Target**: (mmboe) 505-515, China 41%, Overseas 59%
- **2021 Target**: (mmboe) 535-545, China 41%, Overseas 59%

Note: Production percentage of crude liquids and nature gas is expected to be 80% v.s. 20% in both 2020 and 2021.
Promote High-quality Development of the Company

- **Strategy leads development**
  - Effectively carry out strategies
  - Continue to optimize strategic investment management through quality and efficiency enhancement

- **Speed up transformation and upgrading**
  - Focus on cutting-edge technology and original innovation, further foster core technological breakthrough
  - Adapt to the developing trend in the digital era and promote the digital transformation of the Company

- **Adhere to the low-carbon development principle**
  - Conduct the oil field development based on low-carbon principle
  - Actively expand natural gas business and explore offshore wind power business

- **Focus more on risk management**
  - Pay high attention to potential risk in production
  - Continue to strengthen the capacity of preventing fiscal and legal risk
Explore the Offshore Wind Power Industry

In line with the low-carbon development trend in global energy industry, we actively explore the offshore wind power industry, and build competitiveness in low-carbon sector.

- Great market potential and broad future prospects
- Rich resources in offshore engineering and sophisticated experience in offshore operation
- Entered into an offshore wind power project in Jiangsu Province in January, 2019
Digital Transformation Helps Improve Core Businesses

- Advancing the construction of smart oil fields to effectively improve production efficiency and reduce operating costs

- **Intelligent Exploration**
  - Big data to integrate the acquisition and interpretation of seismic data, realizing a fast and quality appraisal of the targets
  - Improve the efficiency of decision making in exploration operation site
  - Improve risk control of exploration operations

- **Intelligent Development and Production**
  - Realize regional refined management
  - Conduct fault alert regarding production facilities and critical equipment
Digital Transformation Helps Improve Core Businesses

Cloud System Construction
- Global presence with intensive management
- Effectively support the domestic and overseas businesses
- Lead business innovation

Unmanned Offshore Platform
- Increase unmanned offshore platforms
- Reduce operating costs
- Improve production efficiency