

2022 Strategy Preview

11 January 2022



CNOOC Limited
中国海洋石油有限公司

Management at Today's Meeting



CEO Xu Keqiang



CFO Xie Weizhi

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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 that 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 but not limited to the company and its controlling shareholder being listed in the list of the U.S. for sanction against companies with alleged ties to the Chinese military, those associated with fluctuations in crude oil and natural gas prices, macro-political and economic factors, changes in the tax and fiscal regimes of the host countries in which we operate, the highly competitive nature of the oil and natural gas industry, environmental responsibility and compliance requirements, the Company's price forecast, the exploration and development activities, mergers, acquisitions and divestments activities, HSSE and insurance policies and changes in anti-corruption, anti-fraud, anti-money laundering and corporate governance laws. For a description of these and other 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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Agenda

- **Macro Environment**
- **2022 Operating Guidance**
- **Outlook**



Macro Environment

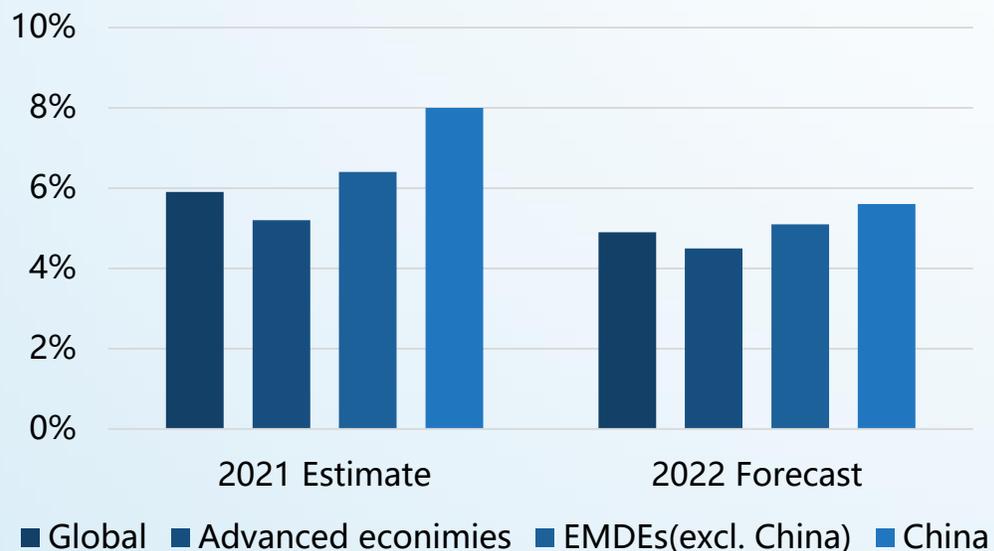


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Global Economy and Pandemic

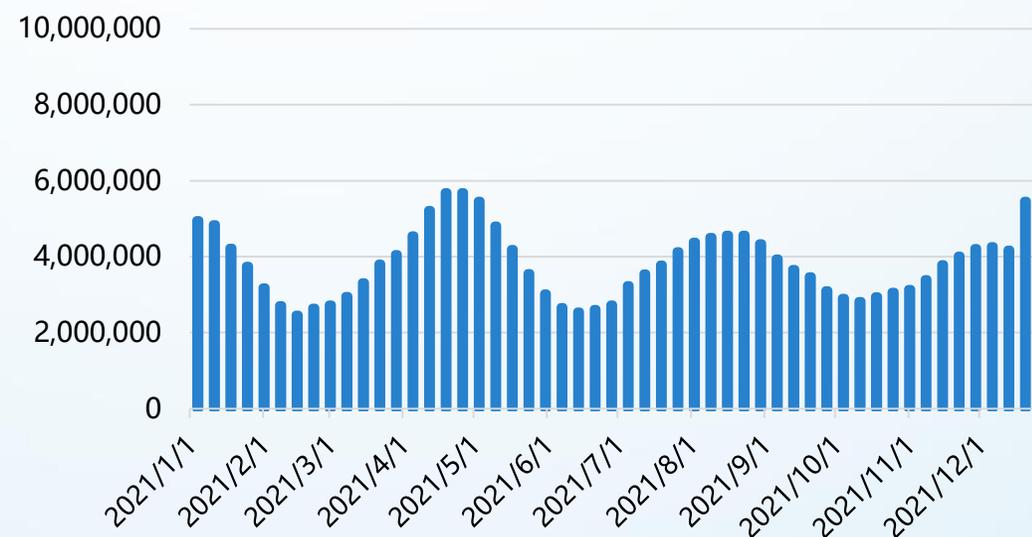
- The World Bank forecasts a global economic growth rate of 4.3% in 2022, with China's economic growth exceeding the global average to 5.4%
- COVID-19 variants lead to recurring global pandemic outbreaks, creating uncertainties for future economic recovery

Global economic growth



Source: World Bank

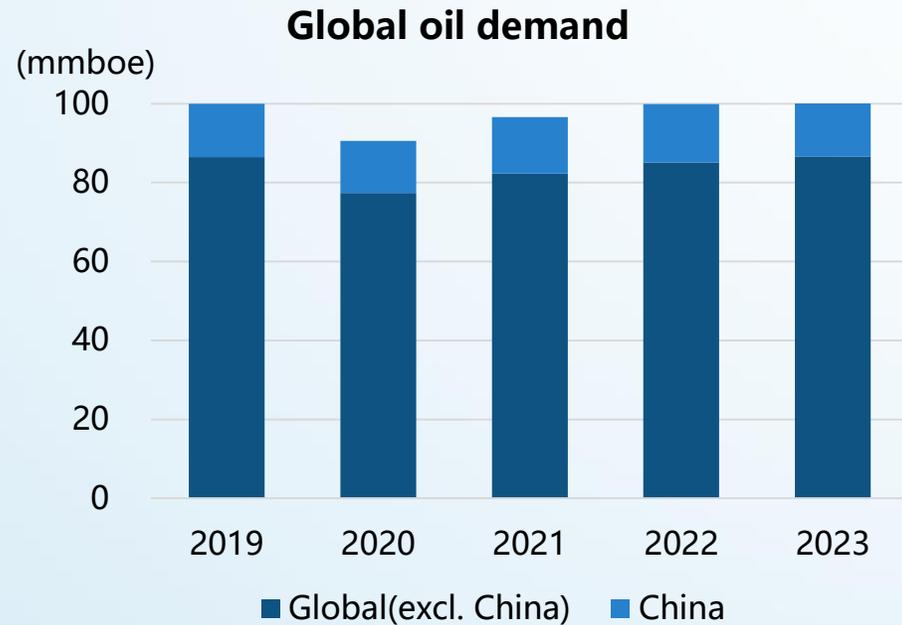
The number of newly confirmed COVID-19 cases worldwide (weekly)



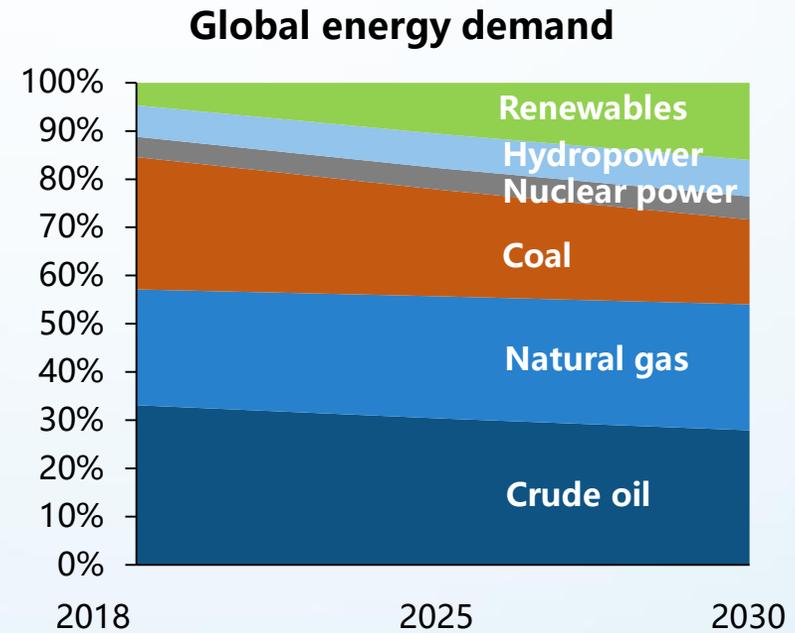
Source: WHO(as of 27 December 2021)

Oil Demand

- Global and China oil demands are gradually recovering and will continue to grow
- Major economies have actively made Net Zero commitments, while oil and gas will continue to account for over 50% of world's future primary energy consumption



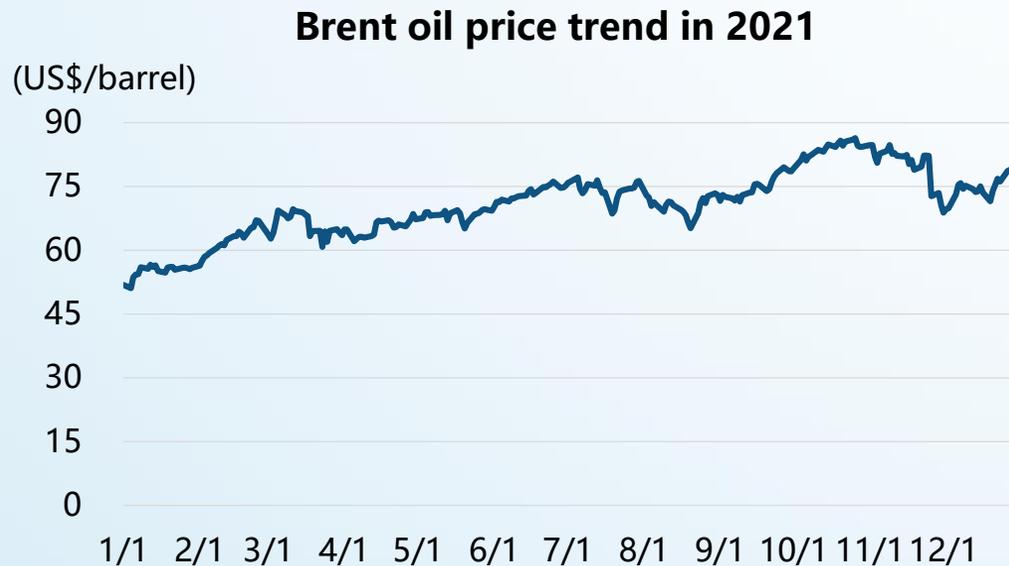
Source: OPEC's World Oil Outlook, 2021



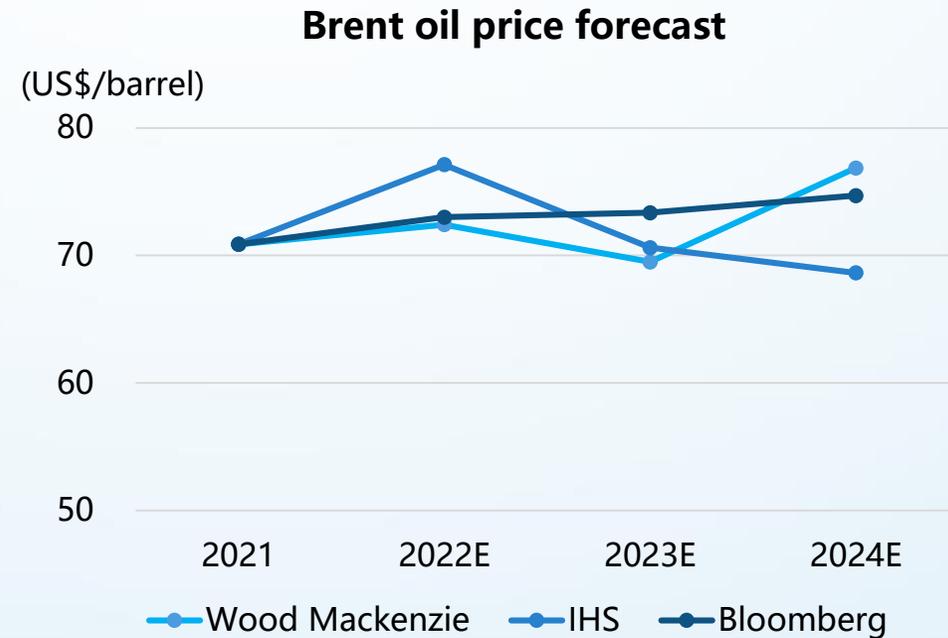
Source: BP World Energy Outlook, 2020

International Oil Price

- International oil prices showed a general upward trend amid fluctuations in 2021, with a slight fall at year end due to recurring pandemic and other factors
- Oil prices in the next three years are expected to remain above US\$70/barrel

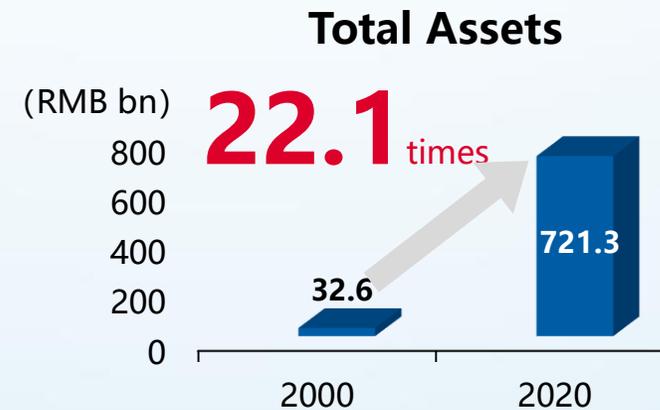
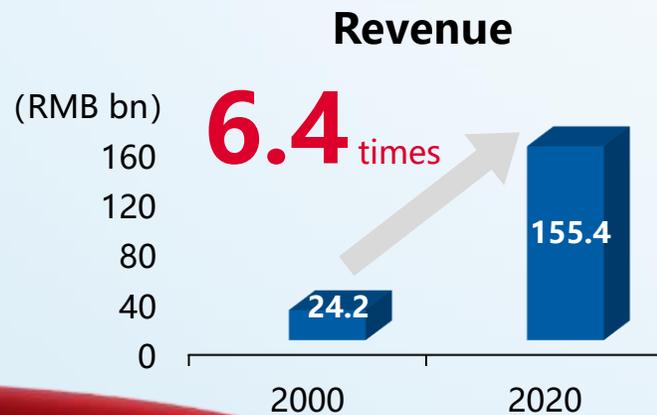
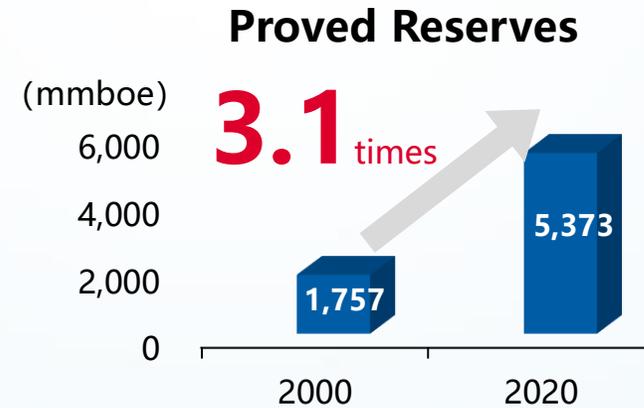
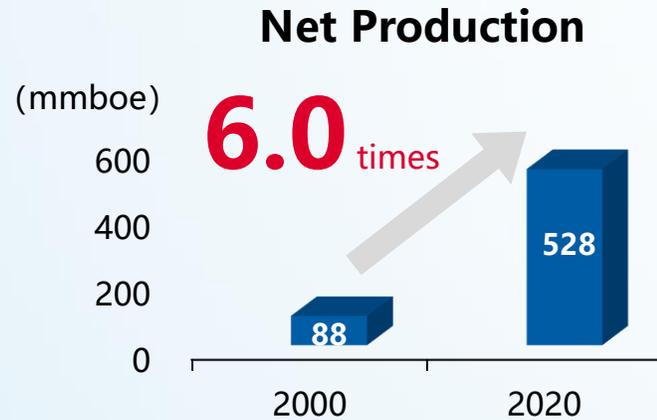


Source: Bloomberg



The 20th Anniversary of Listing

- Over the past 20 years since the listing, CNOOC Limited has achieved impressive results



Capital Market

- **January 8, 2021, CNOOC Limited was added to the list of Chinese companies with alleged ties to the Chinese military by the U.S. government**
- **March 9, 2021, the ADRs were suspended from trading by the NYSE**
- **October 22, 2021, the Company delisted from the NYSE**
- **December 31, 2021, the Company delisted from the TSX**
- **September 26, 2021, the Company announced the plan for A-Share IPO**
- **October 26, 2021, the A-Share IPO proposals were passed by EGM**



2022 Operating Guidance



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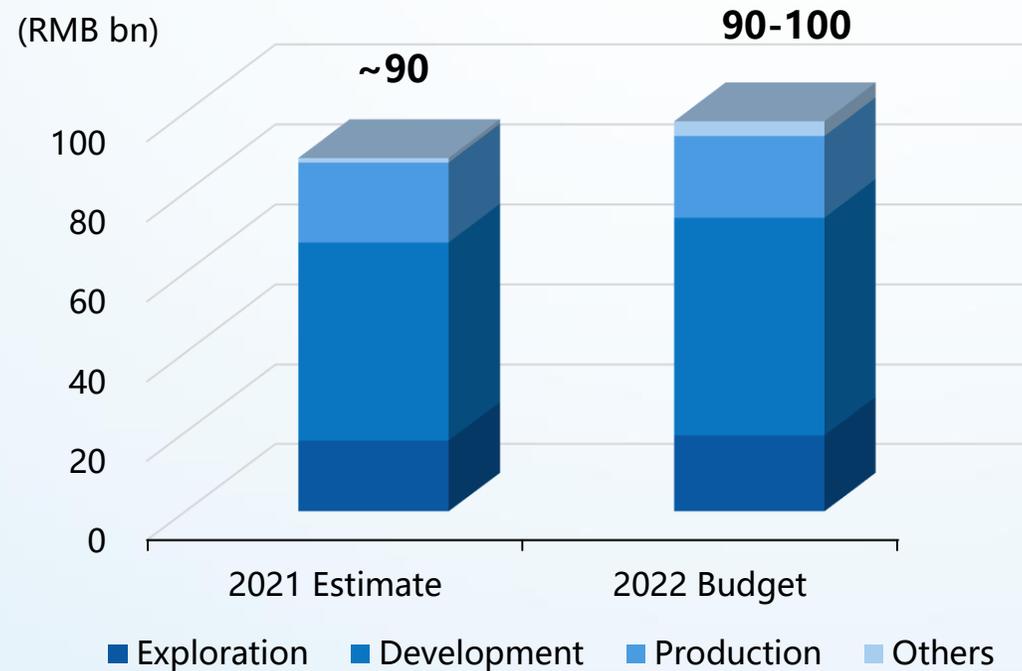
2022 Operation Targets

- Capex budget of RMB 90-100 billion
- Production target of 600-610 mmboe
- 13 new projects to come on stream
- Reserve Replacement Ratio (RRR) of no less than 130%
- Sound QHSE performance



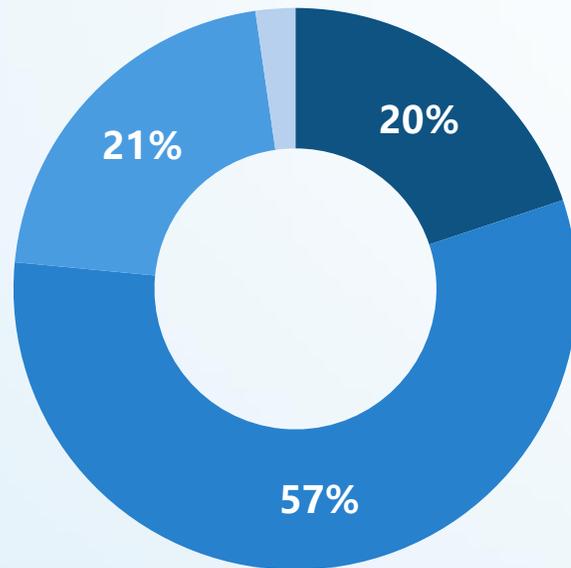
Capex Plan

- Capex is estimated to reach approximately RMB 90 billion in 2021
- In 2022, we will maintain robust capital expenditure and pursue profitable growth of reserves and production

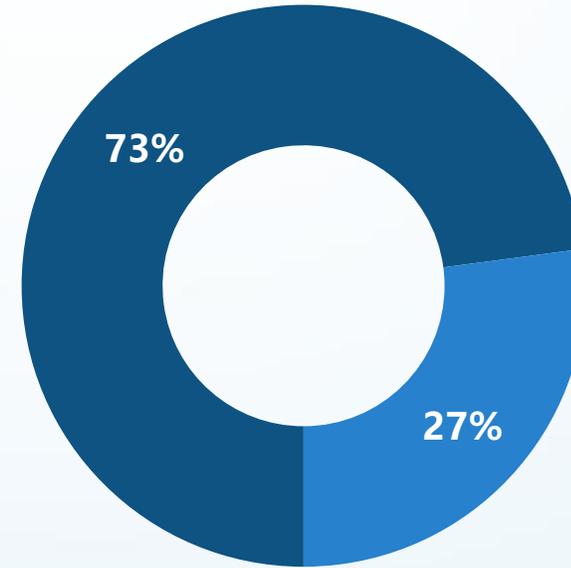


2022 Capex Breakdown

- Focus on future growth and maintain an appropriate Capex structure



■ Exploration ■ Development ■ Production ■ Others



■ China ■ Overseas

Exploration Strategy

- **Consolidate the resource base for reserves and production growth, and strive to achieve breakthroughs in new areas, new fields, new types and new layers**
- **China**
 - Target both oil and gas, and weight more on gas exploration
 - Maintain exploration activities in Bohai, accelerate exploration in South China Sea, and promote unconventional exploration
 - Seek the reserve replacement areas through risk exploration
- **Overseas**
 - Adhere to the principle of value-driven exploration



Natural Gas Exploration

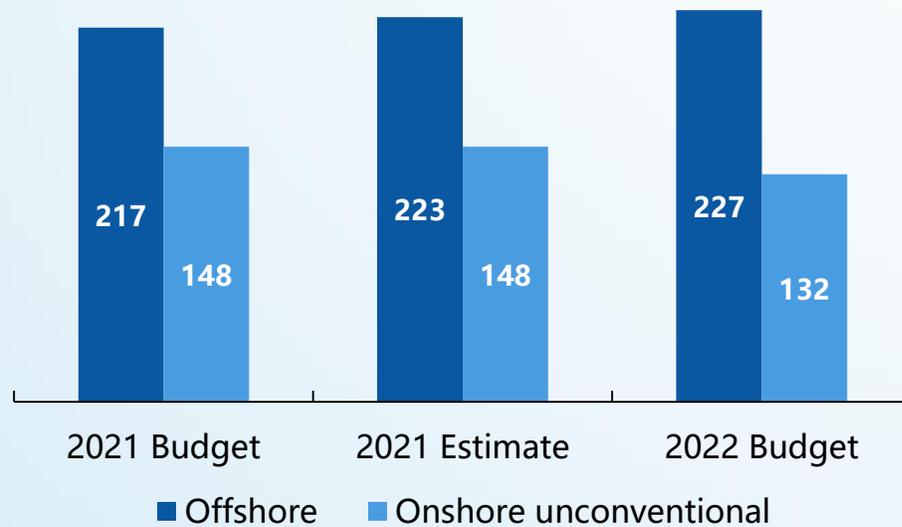
- **South China Sea Trillion-Cubic-Meters-Level Gas Fields Exploration**
 - Rely on the development of Lingshui 17-2 large deepwater gas field to promote efficient exploration and development of adjacent gas discoveries
 - Focus on four key projects including Baodao 21-1 gas field and rolling exploration around Yinggehai gas field
- **Add 100 billion cubic meters onshore unconventional gas resources**
 - Actively promote the integration of exploration and development to certify the reserves in Shenfu area



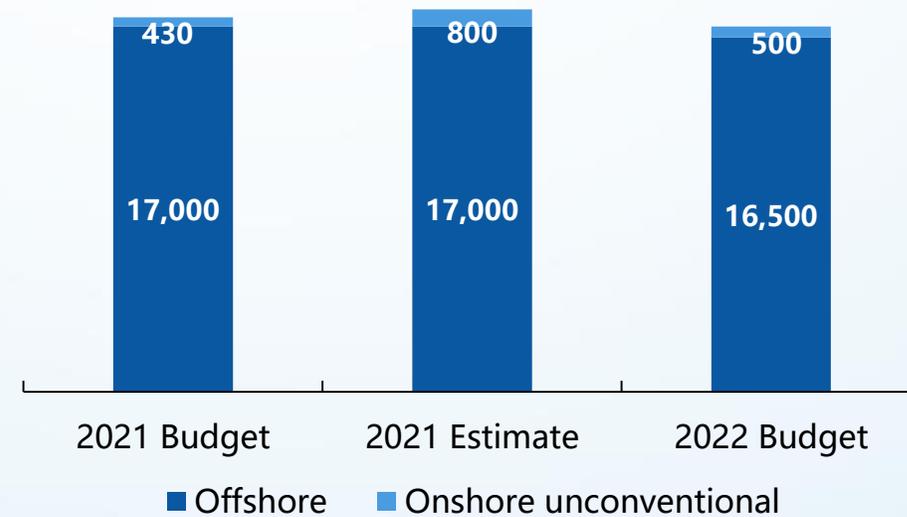
Exploration Workload

- Seek medium to large size hydrocarbon discoveries to achieve sustainable development

Exploration wells



3D Seismic Data (km²)



Development and Production Capex

■ Development Capex

- Actively advance the construction of new capacities
 - China: Kenli 6-1 oilfield block 5-1, 5-2, 6-1 and Enping 15-1/10-2/15-2/20-4 oilfields, etc.
 - Overseas: Mero Phase I in Brazil, Liza Phase II in Guyana and 3M in Indonesia, etc.
- Expedite the construction and increase drilling efficiency
- Promote large-scale development of heavy oil fields and economic development of low-permeability oil fields

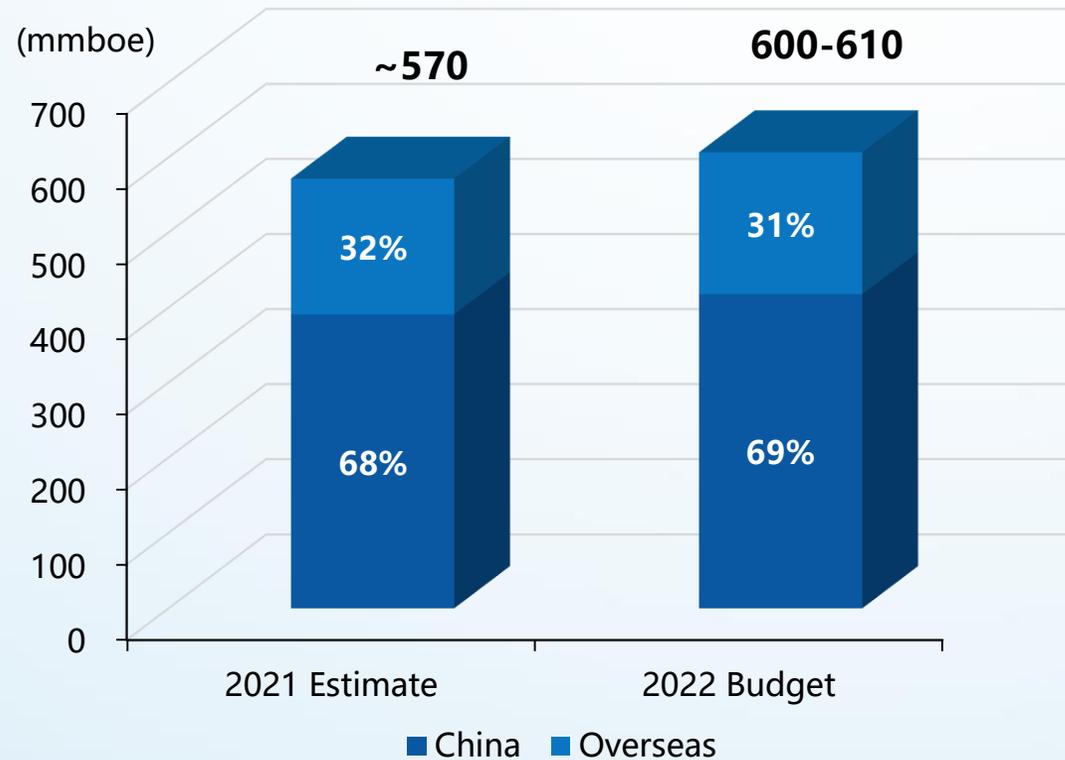
■ Production Capex

- Continuously optimize the deployment of adjustment wells and improve single well production
- Fully utilize EOR measures and reduce the decline rate



Production Target

- 2022 production target is 600-610 mmboe
- In China, oil and gas representing 78% and 22%, respectively



New Projects in 2022

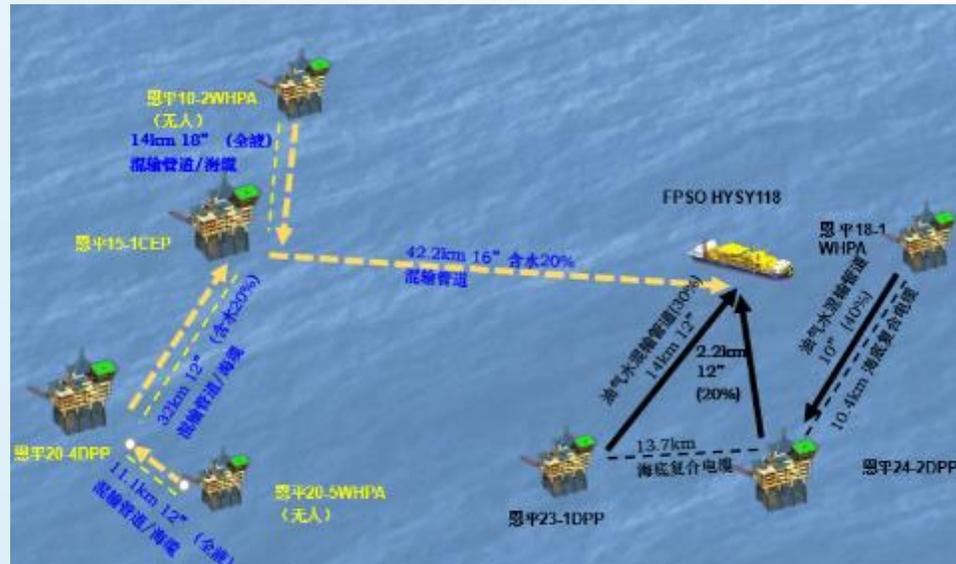
- 13 new projects are scheduled to come on stream in 2022 to boost the future production

Project	Peak Production (boe/d)	Working interests
Offshore China		
Kenli 6-1 Oilfield 10-1 North Block Development Project	7,100	100%
Kenli 6-1 Oilfield Block 5-1, 5-2, 6-1 Development Project	36,100	100%
Bozhong 29-6 Oilfield Development Project	15,300	100%
Jinzhou 31-1 Gas Field Development Project	2,100	100%
Weizhou 12-8 Oilfield East Zone Development Project	4,700	51%
Dongfang 1-1 Gas Field Southeast Zone and Ledong 22-1 Gas Field South Block Development Project	2,900	100%
Enping 15-1/10-2/15-2/20-4 Oilfields Joint Development Project	35,500	100%

Project	Peak Production (boe/d)	Working interests
Onshore China		
Shenfu South Gas Field Development Project	9,500	100%
Linxingzhong 4/5 Development Zone Development Project	6,500	100%
Panhe Thin Coalbed Methane Development Project	2,100	100%
Overseas		
Mero Phase I Project in Brazil	171,000	10%
Liza Phase II Project in Guyana	220,000	25%
3M (MDA, MBH, MAC) Project in Indonesia	32,300	40%

Key Projects Offshore China

- China's first offshore CCS demonstration project



- Enping 15-1/10-2/15-2/20-4 Oilfields Joint Development Project**

- Located about 200 kilometres from Hong Kong in the South China Sea, with a water depth of ~90 meters
- Facilities: 1 central processing platform, 1 drilling production platform, 2 wellhead platforms, and 66 wells
- Peak production: 35,500 boe/day
- Reinject associated carbon dioxide, effectively reducing emissions

Key Project Onshore China



- **Shenfu South Gas Field**

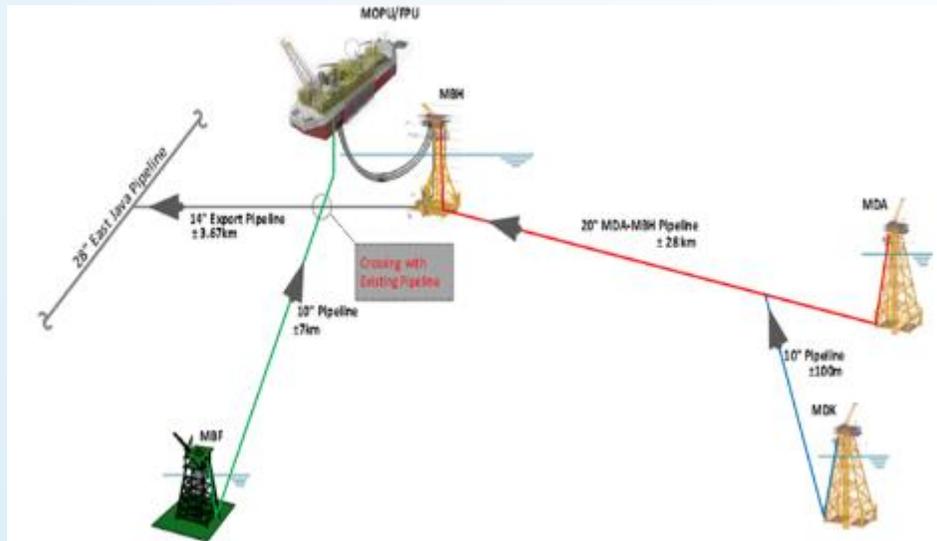
- Located in Shenmu County, Shaanxi Province
- An onshore unconventional gas field
- Facilities: 66 well pads, ancillary pipelines for gas production, 4 gas gathering stations, 1 booster station, 2 sewage treatment stations, and 328 wells
- Peak production: 1,600,000 m³/day (9,500 boe/day)

Key Projects Overseas



- **Liza Phase II in Guyana**
 - Located in the Stabroek Block in northeastern Guyana, with a water depth of 1,600-2,000 meters
 - Facilities: 1 FPSO, 30 wells
 - Peak production: 220,000 boe/day
 - CNOOC Limited's interest: 25%

Key Projects Overseas



■ Indonesia 3M Gas Field (MDA, MBH, MAC)

- Located in the Madura Strait block in the East Java Sea Basin, Indonesia, with a water depth of 70-95 meters
- Facilities: 1 floating production unit, 1 mobile offshore production unit, 3 unmanned wellhead platforms, and 10 wells
- Peak production: 5,100,000 m³/day (32,300 boe/day)
- CNOOC Limited's interest: 40%

QHSE

- **Embed the concept of safe development, and ensure the Company's high-quality development with high-quality QHSE performance**
 - Maintain the good performance of normalized pandemic prevention and control measures. Improve occupational health control
 - Strengthen the cultivation of safety culture. Specify safety production responsibilities
 - Increase investment to improve maritime emergency response capabilities
 - Promote ecological and environmental protection management and fulfill corporate responsibilities



Outlook



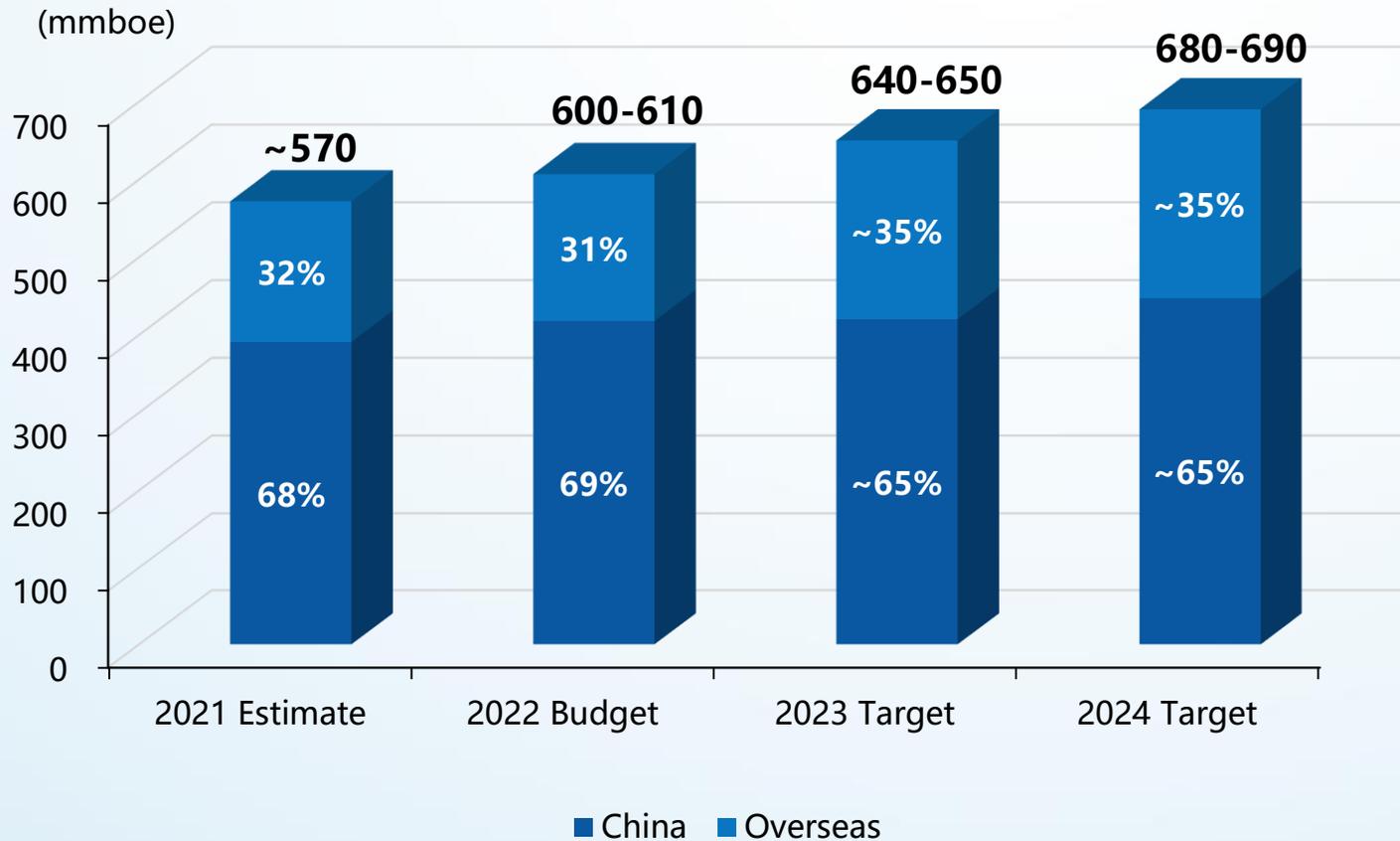
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Future Operating Strategy

- Advance the three major projects of Reserves & Production Augmentation, Green Energy Transition, Independent Technology Innovation
- Implement the campaign of Quality & Efficiency Dual Upgrading
- Continuously improve value creation capability to bring more returns to shareholders



Three-year Rolling Production Target



Green and Low-carbon Development

- **Produce green products**
 - Continuously increase natural gas supply capacity, and produce more green and low-carbon products
 - Increase the proportion of natural gas in our production mix
- **Build green factories**
 - Facilitate energy saving and emission reduction during the entire process of operations
 - Accelerate the construction of power-from-shore projects
- **Develop green business**
 - Develop new energy business on a selective basis
 - Promote the offshore CCS and CCUS demonstration projects



New Energy Business Plan

■ Development strategies

- Accelerate the development of offshore wind farms to generate green power at scale
- Develop onshore wind power and photovoltaic integration projects on a selective basis
- Promote R&D in key areas

■ Development goal

- Approximately 5%-10% of Capex in new energy business, by 2025:
 - Acquire 5-10GW offshore wind power resources, and install 1.5GW
 - Acquire 5GW onshore wind and solar power resources, and commission 0.5-1GW



Dividends and Buybacks

Subject to the approval by the general meeting of shareholders:

- **In 2022 to 2024**
 - Annual payout ratio $\geq 40\%$
 - Annual absolute dividend \geq HK\$0.70 /share (tax inclusive)
- **2021 annual dividend proposal**
 - In addition to the 2021 year end regular dividend, pay a special dividend for the 20th anniversary of listing
- **Implement share buybacks in 2022 within the scope authorized by the general meeting of shareholders**





Thank you!



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