

Health, Safety and Environmental Protection

Health, safety and environmental protection first



In 2000, with the approval of the Board of Directors, CNOOC Limited developed a corporate philosophy and implemented a program encompassing all aspects of Health, Safety and Environmental ("HSE") issues. We consider an HSE policy as a key component of the corporate culture and one of our core competitive strengths.

HEALTH, SAFETY AND ENVIRONMENTAL PROGRAM

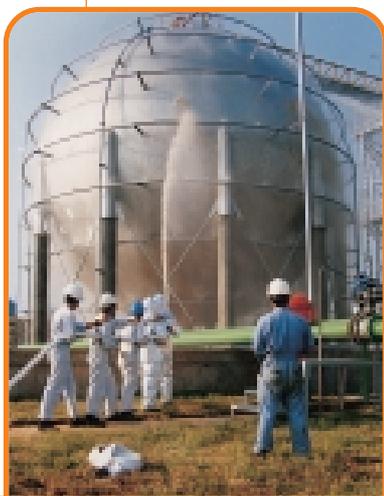
1. Corporate culture and core competitiveness: We will improve our HSE management by benchmarking our operations with those of international oil companies. We value our HSE management system as a key component of our culture and competitive strength.
2. HSE awareness: We will strive to proactively pursue HSE excellence rather than reacting to government regulations.
3. Continuous improvement: HSE management is not a short-term project. It requires persistence and continuous improvement. We believe, "There is no best but only better."
4. Value of employees: Employees are our most valuable assets.
5. Assignment of the responsibilities: We are committed to integrate HSE management into every operation and position. The ultimate responsibility for HSE management lies with the person in-charge.

6. Systematic management and risk control: We shall develop systems for routine management of HSE and for risk control.
7. Management of contractors: Management and supervision of contractors is an important part of the HSE management process.
8. Internal monitoring: Internal audit is an important way to evaluate and supervise HSE management.
9. Reflection of Quality: HSE management is a reflection of our overall quality.
10. Economics and social responsibility in harmony: HSE management is not only a matter of economics, but also a matter of social responsibility.

CNOOC Limited introduced and implemented a series of measures to enhance HSE management during the year, including:

- the establishment of a sound and general subcontracting management system;
- enhanced HSE management over contractors;
- enforcement of the "HSE Continuous Improvement Plan";
- initiation of establishing an HSE management information system; and
- study and research of offshore petroleum regulations.

Health, Safety and Environmental Protection



Fire drill at Weizhou Oil Field terminal

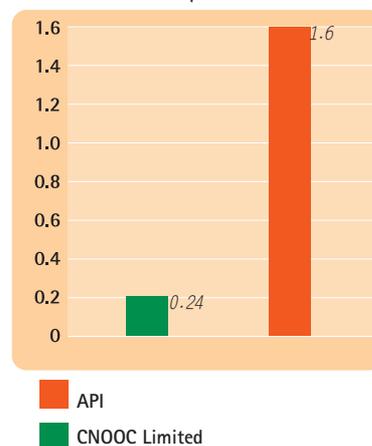
Through these effective measures, we made impressive achievements in HSE management and delivered on our commitments, including:

- Based on the U.S. government's OSHA statistical methodology, with 5,446 averaged employees putting in 10,893,000 working hours (including employees of direct contractors), there were only 13 recordable incidents in our operational activities in 2000. The incident rate and number of days away was 0.24 times per 200,000 hours and 4.37 days per 200,000 hours, respectively.
- There were no deaths arising from the Company's operations;
- There were no incidents of oil spillage of material quantities from properties operated and managed by the Company;
- Produced water was treated and discharged in compliance with national standards;
- There was no single incident with an economic loss exceeding US\$120,000.

Furthermore, we applied new HSE technologies extensively and achieved significant results. Some examples include: a) utilization of biological technology in the processing plant of Boxi field in Bohai Bay to treat organic pollutants; and b) utilization of electrolysis technology in the processing plant of Weizhou field in Beibu Gulf to treat organic pollutants. This marked the first time these two techniques were utilized in China to treat water pollution from oil and gas operations, resulting in a 100% standard-level treatment

HSE Indicators 2000 CNOOC Limited VS. 1999 API

Recordable cases rate per 200,000 hours



Number of Days away per 200,000 hours



of discharged water. We also utilized the advanced and highly efficient floating tank technique to treat water in the processing plant of Suizhong 36-1 field in Bohai Bay, resulting in a significant reduction of oil content in discharged water.

Community Involvement and Contributions

Progressing in harmony with the community



Donating stationery items to a primary school badly in need of financial aids

We have committed to make contributions to our society. In 2000, we promoted a donation campaign among our employees and PSC partners to support the people in the Western Mountains of China who endured a difficult period of drought. The total donations during this Campaign amounted to more than Rmb100,000. We also supported the educational systems of poor regions, donating personal computers worth Rmb1 million to primary and middle schools. We also donated Rmb400,000 in cash to various communities. We also sponsored social activities such as cultural exhibitions, community services and blood donations.

We will continue our community involvement in pursuit of the mutual and harmonic progress of both the Company and our society.



Company staff actively taking part in tree planting



Staff members of the CACT Group posing for a picture with teachers and students after making a computer donation to the poverty-stricken school