




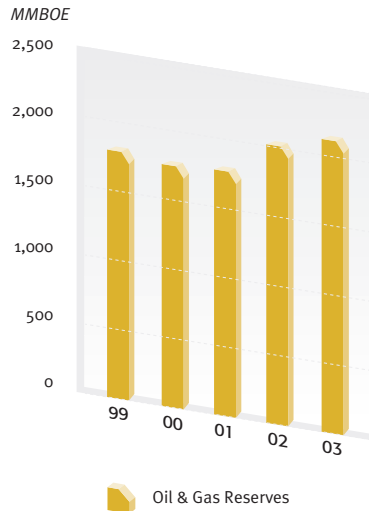
OPERATIONS OVERVIEW



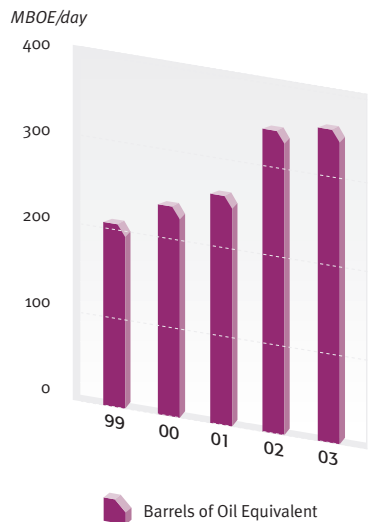
Adhering to its objective of maximizing shareholder's value, the Company met all operating targets set at the beginning of 2003 through continuous reserve and production growth, maintaining cost efficiency and improving profitability.

OPERATIONS OVERVIEW

HISTORICAL RESERVE GROWTH



HISTORICAL PRODUCTION GROWTH



2003: Steady growth and record profit

Adhering to its objective of maximizing shareholder's value, the Company met all operating targets set at the beginning of 2003 through continuous reserve and production growth, maintaining cost efficiency and improving profitability.

In 2003, the Company's oil and gas production was 356,729 boe per day, representing a 3% increase over the previous year. Of this, crude oil production reached 306,464 barrels per day while natural gas production amounted to 291.0 Mmcf per day, representing an increase of 2.6% and 6.7% over last year respectively. Oil and gas production in offshore China was 265,967 barrels per day and 189.1 Mmcf per day respectively. Total oil and gas production reached 299,252 boe per day; In Indonesia, oil and gas production was 40,497 barrels and 101.9 Mmcf per day. Total oil and gas production was 57,477 boe per day.

In 2003, realized oil price was US\$28.11 per barrel, 15.4% increase over 2002. Realized natural gas price was US\$2.87 per thousand cubic feet. Total oil and gas sales amounted to RMB28,116.8 million, a year-on-year increase of 18.2%; the Company realised a net profit of RMB11,535.5 million, up 24.9% over last year and reached a record high in the Company's history. Per share earning reached RMB1.40 and ROE was 26.4%. Sharing its success with the shareholders, the Company recommended a final dividend of HK\$0.12 and a special final dividend of HK\$0.18.

The successful commencement of production of the three major oil and gas fields – Dongfang 1-1 (Phase I), Panyu 4-2, Panyu 5-1, made active contributions to the Company's production growth.

The Company also increased its interests in the Qinhuangdao 32-6 and Liuhua 11-1 oilfields.

Remarkable exploration success with 12 new oil and gas discoveries further strengthen the Company's reserve organic growth

In 2003, the Company recorded remarkable exploration results, with 12 new oil and gas discoveries. Among



them, nine are located offshore China and three are located in Indonesia. Of the 12 discoveries, six are independent discoveries.

The Company's reserves also grew significantly. In 2003, the proved reserves increased by 242.9 million boe, realizing a reserve replacement rate of 187%.

In 2003, the Company achieved major breakthroughs in the research on new exploration areas and efforts in risk exploration work, opening a new horizon for oil and gas exploration. Meanwhile, the Company has closely followed the "value emphasis exploration" strategy in its exploration activities. Based on the past exploration drilling results and geological features, the Company has introduced innovative technology to effectively reduce the finding cost of exploration, achieving a competitive finding cost of around US\$1 per barrel.

Satisfactory progress in various projects

Three oilfields commenced production in 2003, namely Dongfang 1-1 (Phase I), Panyu 4-2 and Panyu 5-1. In addition, the Pinghu oil & gas field expansion program and the Jinzhou 9-3 natural gas project also successfully completed and commenced operation.

During the year, the Company has built 21 jackets and installed nine offshore jackets; constructed 17 platform modules, installed five offshore platforms modules and laid 205km undersea pipelines. The construction of one onshore terminal has been completed while five others are under construction.

In 2004, the Company will continue to proceed with its engineering and construction projects in full speed. 6 projects are expected to commence operations.

Achieving solid growth in natural gas business

The Company is well positioned in developing natural gas resources and this side of the business has become a new growth engine for the Company's production and profitability. During the year, the Company achieved significant growth in its natural gas exploration and market expansion.



The Company has achieved major breakthroughs in natural gas exploration in the Pearl River mouth Basin. Two other natural gas discoveries in Liuhua 19-5 and Panyu 35-1 were made following major natural gas discoveries in Panyu 30-1 and Panyu 34-1. This demonstrated the promising natural gas exploration prospects in this area. With such discoveries, the Company has entered into a new natural gas exploration area offshore China.

Phase 1 of Dongfang 1-1, the second-largest gas field offshore China, commenced operation successfully ahead of schedule, and started to supply gas to end-users in Hainan Province.

With breakthroughs in natural gas exploration and successful expansion of marketing, the Company's leading position in the natural gas market in the Pearl River Delta region is further strengthened.

Innovative management and improving productivity

The Company has made constant efforts to improve the management procedure and efficiency. In 2003, the Company introduced reforms to its employment and remuneration systems, as well as management systems



OPERATIONS OVERVIEW



and procedures. As a result of the reform, we have developed an entirely new employment and remuneration system, accommodating the competitive environment in China and the rest of the world and the Company's long-term development strategies. As a result, the Company's management and decision-making ability, as well as operation efficiency, has significantly improved. In addition, while the Company has devoted a great deal of effort in the fundamentals of management, it has also paid close attention to controlling costs through the promotion in ERP system and facilitating a modern-management style. The Company has firmly established the concept of cost control in every segment.

The Company's operating capacity has also recorded satisfactory growth. In July 2003 and early 2004, the Company took over the operatorship of the Liuhua 11-1 oilfield and the Yacheng 13-1 gas field from its partner. The successful takeover of operations of the latter and its steady development, in particular, marked a new milestone in the Company's operation standard.

Increasing production and reserves through overseas opportunistic acquisitions

In 2003, CNOOC Ltd continued to cautiously identify attractive overseas oil and gas assets and acquire interests to strengthen the Company's production and reserves base to further enhance the Company's long-term and stable growth, and to maximize shareholder's value.

The Company completed the acquisition of the Tangguh

project in Indonesia on 8 February 2003. The Company's investments in the Northwest Shelf Gas Project have also come to fruition. An agreement was reached on 15 May, 2003, to acquire 5.3% of the project as well as a 25% interest of the China LNG Joint Venture ("CLNG joint venture"). The Company was also given participating rights in future exploration undertaken over and above the current proved reserves.

On 24 October 2003, the Company reached a new agreement with the venture participants of the Australia Gorgon gas development project and studied the viability of investing in the project.

Prudent financial management and healthy financial conditions gain market recognition

During the year, the Company's credit rating was elevated to A2 (Positive) by renowned rating agency Moody's, on par with China's sovereign rating. This will help the Company to gain access to low cost financing in the future, reinforcing the market's endorsement of the Company's strategies and future development.

In 2003, after its successful bond issuance in 2002, the Company once again tapped the international debt markets and launched a 10 and 30-year bond issue with a total value of US\$500 million, which received an overwhelming response from the market, further demonstrating the market's recognition of the Company's encouraging business fundamentals, healthy financial conditions and credibility.



MAJOR PROPERTIES UNDER PRODUCTION AND DEVELOPMENT

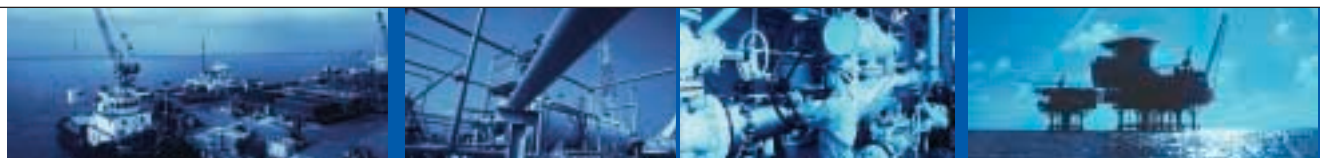
Block/Property	Operator	Partner	The Company's interests	2003 Net Production (BOE/day) Oil (BBL/day) Gas (MMcf/day)	Actual Production commencement year	Net Reserve as of December 31, 2003 (MMBOE) Oil (MMBBL) Gas (BCF/day)
Offshore China						
Bohai Bay						
Production						
Liaoxi						
Jinzhou 20-2	CNOOC Ltd.		100%	8,079 BOE 2,816 BBL 32 MMcf	1992	45.20 MMBOE 13.99 MMBBL 187.25 BCF
Jinzhou 9-3	CNOOC Ltd.		100%	13,679 BOE 12,773 BBL 5 MMcf	1999	32.27 MMBOE 28.71 MMBBL 21.37 BCF
Suizhong 36-1	CNOOC Ltd.		100%	64,203	1993	196.41
Boxi						
Boxi Oil fields	CNOOC Ltd.		100%	14,020 BOE 12,342 BBL 10 MMcf	1997	11.32 MMBOE 9.42 MMBBL 11.45 BCF
Chengbei Oil fields						
Qinhuangdao						
Qinhuangdao 32-6	CNOOC Ltd.	Chevron/Texaco	75.5%	22,444 BOE	2001	104.07
11/05						
Penglai 19-3	ConocoPhillips	Phillips Bohai	51%	8,272	2002	136.18
Bonan						
Bozhong 34-2/4	CNOOC Ltd.		100%	2,298	1990	4.34
Development						
Liaoxi						
Jinzhou 21-1	CNOOC Ltd.		100%			13.82 MMBOE 5.73 MMBBL 48.51 BCF
Luda 4-2/5-2/10-1	CNOOC Ltd.		100%			76.46
Bozhong						
Nanbao 35-2	CNOOC Ltd.		100%			75.73
Boxi						
Qikou 18-9/18-2	CNOOC Ltd.		100%			9.62 MMBOE 8.46 MMBBL 6.99 BCF
Bonan						
Bonan Oil fields	CNOOC Ltd.		100%			67.95 MMBOE 31.90 MMBBL 216.34 BCF
Bozhong 25-1/25-1S	CNOOC Ltd.	Chevron/Texaco	83.8%			230.21 MMBOE 217.76 MMBBL 74.65 BCF
Bozhong 34-1/34-1S	CNOOC Ltd.		100%			12.30
11/05						
Penglai 25-6	ConocoPhillips	Phillips Bohai	51%			10.70
04/36						
Caofeidian 11-1/11-2	Kerr-McGee	Sino-American Energy	51%			47.36
Caofeidian 18-1	Kerr-McGee	Sino-American Energy	51%			1.73
Bohai Bay Total				137,353 BOE 129,506 BBL 47 MMcf		1,084.81 MMBOE 990.39 MMBBL 566.56 BCF
Eastern South China Sea						
Production						
16/08						
Huizhou Oil fields	CACT		51%	24,551	1990	25.01 MMBOE 18.14 MMBBL 41.21 BCF
15/11						
Xijiang 24-3	ConocoPhillips, CNOOC Ltd.	Shell	51%	16,095	1994	11.84 MMBBL
15/22						
Xijiang 30-2	ConocoPhillips, CNOOC Ltd.	Shell	40%	12,775	1995	6.72 MMBBL
29/04						
Liuhsua 11-1	CNOOC Ltd.		100%	13,708	1996	13.54 MMBBL
16/06						
Lufeng 13-1	JHN		25%	2,931	1993	1.88 MMBBL
17/22						
Lufeng 22-1	Statoil, CNOOC Ltd.	Statoil	25%	1,312	1997	0.52 MMBBL
15/34						
Panyu 4-2/5-1	Devon	Burlington	51%	1,609	2003	33.41 MMBBL
Development						
16/19						
Huizhou 19-3/19-2/19-1	CACT		51%			25.59 MMBBL
Liuhsua 07						
Panyu 30-1	CNOOC Ltd.		100%			87.16 MMBOE 2.67 MMBBL 506.94 BCF



MAJOR PROPERTIES UNDER PRODUCTION AND DEVELOPMENT

Block/Property	Operator	Partner	The Company's interests	2003 Net Production (BOE/day) Oil (BBL/day) Gas (MMcf/day)	Actual Production commencement year	Net Reserve as of December 31, 2003 (MMBOE) Oil (MMBBL) Gas (BCF/day)
Xijiang 04						
Xijiang 23-1	CNOOC Ltd.		100%			40.44
Eastern South China Sea				72,981		246.11 MMBOE 154.75 MMBBL 548.15 BCF
Western South China Sea Production						
Yulin 35	CNOOC Ltd.		100%	28,462 BOE 27,494 BBL 6 MMcf	1993	55.20 MMBOE 52.62 MMBBL 15.50 BCF
Wenchang 13-1/13-2	CNOOC Ltd.	Husky	60%	32,572	2002	33.44
Yinggehai						
Yacheng 13-1	CNOOC Ltd. (i)	Kufpec BPCEPC	51%	19,047 BOE 825 BBL 99 MMcf	1995	90.87 MMBOE 5.08 MMBBL 514.73 BCF
Changjiang 25						
Dongfang 1-1	CNOOC Ltd.		100%	3,929 BOE 54 BBL 23 MMcf	2003	234.67 MMBOE 1,407.99 BCF
Development						
Yangjiang 31/32						
Wenchang 8-3	CNOOC Ltd.		100%			11.58
Wenchang 19-1	CNOOC Ltd.		100%			26.09
Wenchang 15-1	CNOOC Ltd.		100%			22.94
Yinggehai						
Yacheng 13-4	CNOOC Ltd.		100%			22.40 MMBOE 1.30 MMBBL 126.62 BCF
Ledong 01						
Ledong	CNOOC Ltd.		100%			83.20 MMBOE 499.18 BCF
Yulin 35						
Weizhou 11-1	CNOOC Ltd.		100%			9.46
39/05						
Wenchang 14-3	CNOOC Ltd.		100%			11.17
Western South China Sea Total				84,010 BOE 60,945 BBL 128 MMcf		601.02 MMBOE 173.68 MMBBL 2,564.02 BCF
East China Sea Production						
Luihua 07						
Pinghu Gas field	CNOOC Ltd.		30%	4,908 BOE 2,536 BBL 14 MMcf	1998	12.74 MMBOE 4.64 MMBBL 48.66 BCF
Development						
Xihu Trough						
Canxue	CNOOC Ltd.	Sinopec, Shell, Unocal	30%			6.81 MMBOE 1.82 MMBBL 29.93 BCF
Duanqiao	CNOOC Ltd.	Sinopec, Shell, Unocal	30%			4.71 MMBOE 1.36 MMBBL 20.12 BCF
Chunxiao	CNOOC Ltd.	Sinopec, Shell, Unocal	30%			18.32 MMBOE 2.22 MMBBL 96.56 BCF
Tianwaitian	CNOOC Ltd.	Sinopec, Shell, Unocal	30%			3.21 MMBOE 0.07 MMBBL 18.82 BCF
Baoyunting	CNOOC Ltd.	Sinopec, Shell, Unocal	30%			11.25 MMBOE 2.69 MMBBL 51.36 BCF
Wuyunting	CNOOC Ltd.	Sinopec, Shell, Unocal	30%			2.76 MMBOE 1.12 MMBBL 9.85 BCF
East China Sea Total				4,908 BOE 2,536 BBL 14 MMcf		59.80 MMBOE 13.92 MMBBL 275.30 BCF
Offshore China Total				299,252 BOE 265,968 BBL 189 MMcf		1,991.74 MMBOE 1,332.74 MMBBL 3,954.03 BCF
Indonesia						
Malacca Oil field				2,236	1994	7.06 MMBOE
Indonesia SES.B.V				55,241 BOE 38,260 BBL 102 MMcf		129.68 MMBOE 96.29 MMBBL 200.32 BCF
Total				356,729 BOE 306,464 BBL 291 MMcf		2,128.48 MMBOE 1,436.09 MMBBL 4,154.35 BCF

Note(i) On January 1 2004, CNOOC limited took over the Operatorship of Yacheng 13-1 from BP.



The 30-year tranche bond offering marked the first ever 30-year offering by Chinese corporates, coupon rates for both the 10-year and the 30-year tranches were the lowest among comparable offerings by Chinese corporates.

Health, Safety and Environmental Protection

In 2003, CNOOC Ltd continued to emphasize and strengthen its Health, Safety and Environmental (“HSE”) protection. With continuing improvements in HSE activities, the Company reached a new milestone in this area.

During 2003, CNOOC Ltd recorded no major fatality, no incident of oil spillage and no single incident that resulted in an economic loss in excess of US\$120,000.

According to the Company’s OSHA statistical results, CNOOC Ltd achieved an above-average rating as compared with major international oil companies.

Review by Area

Today, the Group has five major exploration and production areas, including four offshore China areas, namely, the Bohai Bay, Western South China Sea, Eastern South China Sea and the East China Sea as well as Indonesia.

In 2003, together with our foreign partners, the Company made a total of 12 discoveries. Of these, six oil discoveries were made in Bohai Bay, while two natural gas discoveries and one oil discovery were made in South

China Sea. Three oil and gas discoveries were made overseas. These discoveries have helped increase reserves for the Company’s sustainable development.

Bohai Bay

Bohai Bay holds the core assets of our portfolio and consists of crude oil and natural gas fields such as Suizhong 36-1, Qinhuangdao 32-6 and many other oil discoveries and development projects that are under development. This area holds the largest amount of reserves and production among our five major operating areas.

As at 31 December 2003, the Company had net proved reserves of 1,084.81 Mmboe in this area, accounting for 50.9% of the total net proved reserves.

In 2003, daily average net production was 137,353 boe, accounting for approximately 38.5% of our total net daily production. We currently hold exploration licenses for nine blocks in this area while our foreign partners have exploration licenses for six other blocks.

In 2003, the Company made six oil and gas discoveries in the area; of these, three were independent discoveries, including Bozhong 34-1S, Bozhong 34-1 and Bozhong 3-2. Our partner Kerr-McGee has made discoveries at Caofeidian 11-5 and Caofeidian 11-6; ConocoPhillips has made discoveries in Penglai 19-9. In addition, the Company has successfully appraised seven hydrocarbon-bearing structures.

During the period, the Company has increased its interests in Qinhuangdao 32-6 from 51% to 75.5%.

In 2003, 29 wells were drilled in the Bohai Bay and 2,074.5 square kilometers of 3D seismic data were acquired. Of these, 16 were drilled by CNOOC Ltd (11 wildcat wells and five appraisal wells with 1,763.7 square kilometers of 3D seismic data acquired). Through co-operation with our partners, 13 wells were drilled (eight wildcat wells and five appraisal wells with 310.8 square kilometers of 3D seismic data acquired).

In Bozhong area, the Company drilled two wildcat wells, one appraisal well, and made one oil and gas discovery in Bozhong 3-2.



OPERATIONS OVERVIEW

The Company drilled six wildcat wells and two appraisal wells in the Bonan block, with two oil and gas discoveries at Bozhong 34-1S and Bozhong 34-1, which were successfully appraised. They are located near producing oilfield Bozhong 34-2/4, presenting excellent commercial potential.

The Company drilled three wildcat wells and two appraisal wells in the Liaodong block, and successfully appraised the hydrocarbon-bearing structure in Jinzhou 25-1S.

Our partner ConocoPhillips drilled two wildcat wells in the 11/05 area and made one oil and gas discovery in Penglai 19-9. The Company plans to drill one appraisal well in the area in 2004.

Another partner, Kerr-McGee, drilled a total of six wildcat wells and five appraisal wells in the blocks of 04/36, 05/36 and 09/18. It has also made two oil discoveries in the 04/36 block, namely Caofeidian 11-5 and Caofeidian 11-6, and successfully appraised two hydrocarbon-bearing structures in Caofeidian 11-3 and Caofeidian 11-6. Two wildcat wells were successfully drilled in the 05/36 block, two appraisal wells, namely Caofeidian 12-1 and Caofeidian 12-1S, were also completed successfully by Kerr-McGee.

Western South China Sea

Western South China Sea, one of our most important natural gas exploration areas, consists of Beibu Gulf, Yinggehai and the Qiongdongnan basins. As at 31 December 2003, the Company had net proved reserves of 601.0 Mmboe in the area, accounting for approximately 28.2% of the Company's total net proved reserves.



The average daily production in the area was 84,010 boe, or 23.6% of our total production. At present, the Company and its partners possess twenty eight and five exploration licenses in this area, respectively.

In 2003, we drilled six wildcat wells, two appraisal wells and acquired 7,460.8 square kilometers of 2D seismic data. Our partners drilled one wildcat well, one appraisal well and acquired 983.2 square kilometers of 3D seismic data.

During the year, there was one oil discovery at Weizhou 11-1N and two hydrocarbon-bearing structures in Weizhou 11-1 and Wenchang 15-1 were successfully appraised.

In the area of Yinggehai, preparation work for taking over the operatorship of the Yacheng 13-1 gas field continued in 2003 and was successfully completed on 1 January 2004. This demonstrated that the Company has the ability to operate under internationally recognized standards.

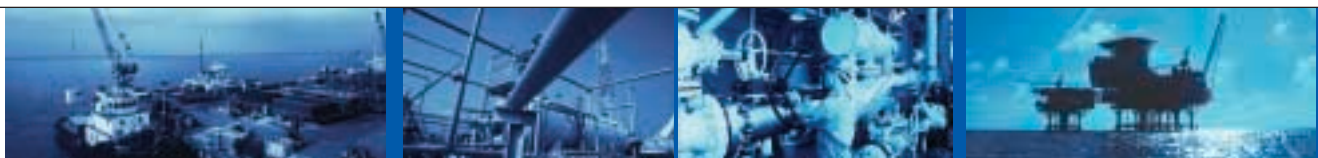
Located in Changjiang 25 block, Dongfang 1-1 gas field is the Company's largest independent gas field. Phase 1 of the field commenced production ahead of schedule, supplying natural gas to Hainan Province, and marking a new milestone in the development of the Company's natural gas business.

In 2003, the Company drilled one wildcat well and one appraisal well in the Yulin 35 block of Beibu Gulf, with a new discovery in Weizhou 11-1N, and successfully appraised a hydrocarbon-bearing structure in Weizhou 11-1. The Company is planning to drill two wildcat wells in the area in 2004.

During the year, the Company drilled one wildcat well in the Wenchang 20 block of the Zhu III Sag and successfully appraised a hydrocarbon-bearing structure in the Wenchang 15-1 area.

Eastern South China Sea

Eastern South China Sea has always been an important crude oil production area for the Company. In 2003, major natural gas discoveries were made in Liuhua 19-5 and Panyu 35-1, opening up a new natural gas





exploration area for the Company. As at 31 December 2003, the Company had net proved reserves of 246.1 MMboe in the area, accounting for 11.6% of the Company's total net proved reserves.

The average daily production in the area was 72,981 boe, or 20.5% of our total production. We currently hold exploration licenses for thirty six blocks and our partners have licenses for two blocks.

In 2003, the Company drilled eight wells (including five wildcat wells and three appraisal wells) in Eastern South China Sea, 4,144 kilometers 2D seismic data was collected. Our partners drilled three wildcat wells, collected 1,562 kilometers 2D seismic data and 345 kilometers 3D seismic data.

During the period, the Company made two natural gas discoveries, Liuhua 19-5 and Panyu 35-1, and successfully appraised a hydrocarbon-bearing structure, Panyu 30-1, confirming the gas generation of Baiyun Trough and verifying the exploration potential with its adjacent deep water area.

Initial assessments made in 2003 have confirmed that discoveries of natural gas reserves at Panyu 30-1 and Panyu 34-1 will reach a total of 1.5 trillion cubic feet, indicating promising natural gas exploration prospects in the area. The discovery represented the Company's first natural gas discovery in the Pearl River Mouth basin and the largest natural gas discovery over the past three years.

Panyu 4-2 and Panyu 5-1 commenced production on schedule during the year. Peak production is expected to hit in 2004 with a daily crude oil production of 60,000 barrels. The Company holds a 51% interest in both oilfield.

Taking advantage of our partners' asset restructuring program during the year, CNOOC Ltd increased its interest in the Liuhua 11-1 oilfield and now has 100% interests in the oilfield.

In 2003, the Company drilled one wildcat well and three appraisal wells in the Liuhua 07 block, made one oil and gas discovery in Liuhua 19-5 and successfully appraised the hydrocarbon-bearing structure at Panyu 30-1.

At Panyu 33 block, the Company drilled one wildcat well, and made one natural gas discovery at Panyu 35-1.

East China Sea

As at 31 December 2003, the company had net proved reserves of 59.8 MMboe in the area, accounting for 2.8% of the Company's total net proved reserves. The average daily production in the area was 4,908 boe, or 1.4% of our total production. The Company holds licenses for 56 blocks while its partners hold exploration licenses for one block.

In 2003, the Company achieved two significant milestones in its East China Sea operation.

In September, our parent company entered a new era with the signing of five oil exploration and development contracts with Sinopec, Pecten Orient Company of the United States (subsidiary company of Shell) and Unocal. The first development under the contracts will be the Chunxiao development area which is expected to come on stream in mid 2005.

In October, phase one of the Pinghu oil and gas field expansion project, in which CNOOC Ltd holds a 30% interest, commenced operation as scheduled. The project increased the daily gas supply to Shanghai by 20.8 mmmcf per day, reaching a total of 62.3 mmmcf per day.



OPERATIONS OVERVIEW



We are carrying out joint exploration work in the Xihu Trough with Sinopec. In 2003, the Company acquired 1,976 kilometers of 2D seismic data and drilled one wildcat well in the Lishui Trough. In 2003, the Company acquired 2,525 kilometers of 2D seismic data in the South Huanghai area.

Overseas Operation

As at 31 December 2003, the Company had net proved reserves of 136.7 MMboe in Indonesia, accounting for 6.4% of the Company's total net proved reserves. The

average daily production in the area was 57,477 boe, or 16.1% of our total production.

In 2003, our partner KODECO made three oil and gas discoveries in the West Madura PSC area in the East Java Sea of Indonesia.

Since 1 January 2003, the Company effectively acquired a 12.5% interest in the Tangguh LNG Project in Indonesia. As a result of our partner's continuous efforts, a series of agreements have been signed for the Tangguh LNG project for the supply of gas to Korea and the North American markets.

New Contracts and Agreements Signed in 2003

In 2003, our parent company announced a total of 10 foreign cooperation blocks and two new cooperation blocks, covering an area of more than 30,388 square kilometers.

During the year, the Company signed a total of seven petroleum contracts with international oil companies.

New Petroleum Contracts Signed in 2003

No.	Area	Contract area	Signing date (yy/mm/dd)	Commencement date (yy/mm/dd)	Partners	Interest	Operator	Current stage/ Block area (km ²)
1	Bohai	09/06	03.06.17	03.08.01	Kerr-McGee	100%	Kerr-McGee	1,788
2	East China Sea	Chunxiao	03.08.19	03.10.01	Shell Unocal Sinopec (consignor)	20% 20% 30%	CNOOC Ltd.	1,225
3	East China Sea	Baoyunting	03.08.19	03.10.01	Shell Unocal Sinopec (consignor)	20% 20% 30%	CNOOC Ltd.	987
4	East China Sea	12/21	03.08.19	03.10.01	Shell Unocal Sinopec (consignor)	50% 50% 30%	CNOOC Ltd.	10,175
5	East China Sea	27/05	03.08.19	03.10.01	Shell Unocal Sinopec (consignor)	50% 50% 30%	CNOOC Ltd.	5,349
6	East China Sea	20/14	03.08.19	03.10.01	Shell Unocal Sinopec (consignor)	50% 50% 30%	CNOOC Ltd.	4,372
7	East China Sea	04/35	03.10.27	03.12.01	Husky	100%	Husky	4,835



MAJOR EXPLORATION BLOCKS

Block	Block Area (km ²)	Partner	Exploration License Commencement – Expiration
Middle of Bohai Bay	5,310		08/16/02 – 08/16/04
Southern Bohai Bay	3,799		10/31/02 – 10/31/04
Western Bohai Bay	1,907		5/29/03 – 5/29/05
Western Liaodong Bay	3,344		3/31/00 – 04/08/06
Eastern Liaodong Bay	2,829		07/02/01 – 07/02/06
Eastern Bozhong	1,861		05/30/02 – 05/30/04
Bohai 09/11	843		04/05/02 – 04/05/04
Bohai 06/17	2,586		02/20/03 – 02/20/05
Bohai 02/31	4,990		05/29/03 – 05/29/05
Independent Total	27,469		
Eastern Bohai 11/05 (East China Sea)	3,601	Conocophillips	08/16/02 – 02/10/04
Western Bohai 11/05 (East China Sea)	4,076	Conocophillips	02/10/02 – 02/10/04
Bohai 11/19 (East China Sea)	3,185	Chevron/Texaco	05/29/03 – 05/29/05
Bohai 09/18 (East China Sea)	2,226	Kerr-McGee	04/04/01 – 04/04/04
Bohai 04/36 (East China Sea)	1,694	Kerr-McGee, Sino-American Energy	12/31/01 – 12/31/03
Bohai 05/36 (East China Sea)	1,250	Kerr-McGee, Newfield, Sino-American Energy	02/10/02 – 02/10/04
PSC Total	16,032		
Bohai Total	43,501		
Xihu Tiantai 02 (East China Sea)	4,528		06/05/03 – 06/05/05
Xihu Hangzhou 26 (East China Sea)	3,642		03/31/03 – 03/31/05
Xihu Huangyan 04 (East China Sea)	2,848		08/28/01 – 08/28/08
Xihu Hangzhou 17 (East China Sea)	4,227		08/28/01 – 08/28/08
Xihu Zhenhai 01 (East China Sea)	1,536		08/28/01 – 08/28/08
Xihu Fuyang 27 (East China Sea)	2,526		08/28/01 – 08/28/08
Lishui-Jiaojiang (East China Sea)	6,767		03/31/00 – 11/28/05
Kunshan 02 (East China Sea)	2,628		05/11/01 – 05/11/06
Jinhua 12 (East China Sea)	6,931		05/11/01 – 05/11/06
Taibei 27 (East China Sea)	7,379		07/09/01 – 07/09/06
Tiantai 32 (East China Sea)	5,400		07/17/01 – 07/17/06
Lishui 30 (East China Sea)	4,085		07/01/02 – 07/01/09
Jiangning 32 (East China Sea)	7,136		11/05/03 – 12/30/04
Western Wunansha (South Yellow Sea)	242		03/31/00 – 12/16/05
Zhucheng 14 (South Yellow Sea)	5,659		05/11/01 – 05/11/06
Qingdao 34 (South Yellow Sea)	5,745		12/07/01 – 12/07/06
North Yellow Sea	6,471		05/25/01 – 05/25/06
Changshan 01 (North Yellow Sea)	6,449		07/03/01 – 07/03/06
Independent Total	84,199		
East China Sea 32/32	513	Prime Line Petroleum	07/11/02 – 07/11/04
PSC Total	513		
East China Sea Total	84,712		
Xijiang 04 (Pearl River Mouth)	7,969		05/11/01 – 05/11/06
Lufeng 06 (Pearl River Mouth)	4,457		05/11/01 – 05/11/06
Lufeng 08 (Pearl River Mouth)	4,723		05/11/01 – 05/11/06
Huizhou 30 (Pearl River Mouth)	5,862		05/11/01 – 05/11/06
Huizhou 31 (Pearl River Mouth)	3,074		05/11/01 – 05/11/06
Enping 15 (Pearl River Mouth)	5,833		05/11/01 – 05/11/06
Enping 10 (Pearl River Mouth)	6,547		05/11/01 – 05/11/06
Panyu 33 (Pearl River Mouth)	4,830		05/11/01 – 05/11/06
Lihua 07 (Pearl River Mouth)	4,172		05/11/01 – 05/11/06
Chaozhou 03 (Pearl River Mouth)	4,490		05/11/01 – 05/11/06
Shantou 29 (Pearl River Mouth)	6,407		05/11/01 – 05/11/06
Kaiping 14 (Pearl River Mouth)	7,753		05/11/01 – 05/11/06
Huizhou 14 (Pearl River Mouth)	882		05/29/03 – 05/29/05
16/02 (Pearl River Mouth)	3,498		31/03/00 – 31/03/07
15/35 (Pearl River Mouth)	1,411		20/02/03 – 20/02/05
15/12 (Pearl River Mouth)	1,895		16/10/00 – 16/10/06
Nanhaichao	7,834		05/14/02 – 05/14/07
Independent Total	81,637		



OPERATIONS OVERVIEW

MAJOR EXPLORATION BLOCKS

Block	Block Area (km ²)	Partner	Exploration License Commencement – Expiration
16/19 (Pearl River Mouth)	415	Agip, Chevron/Texaco	04/05/02 – 04/05/04
15/34 (Pearl River Mouth)	4,984	Devon, Burlington	12/24/03 – 12/24/05
PSC Total	5,399		
Eastern South China Sea Total	87,036		
Yulin 35	6,050		05/11/01 – 05/11/06
Weizhou 12	6,980		11/05/01 – 11/05/06
Weizhou 26	4,358		11/05/03 – 05/11/06
Changjiang 25	7,434		11/05/03 – 11/05/05
Ledong 01	6,543		12/03/03 – 12/03/05
Lingao 15	6,583		11/05/03 – 05/11/06
Ledong 17	3,971		05/11/01 – 05/11/06
Songtao 18	2,566		03/31/00 – 12/16/05
Yangjiang 31	6,003		12/03/03 – 12/03/05
Qionghai 28	5,208		05/11/01 – 05/11/06
Wenchang 20	4,979		05/11/01 – 05/11/06
Yangjiang 32	3,962		12/03/01 – 05/11/06
Independent Total	64,637		
Wanan North 21A	6,801	Benton Offshore China Company	09/30/03 – 09/30/05
Wanan North 21B	6,118	Benton Offshore China Company	09/30/03 – 09/30/05
Wanan North 21C	6,372	Benton Offshore China Company	09/30/03 – 09/30/05
Wanan North 21D	6,126	Benton Offshore China Company	09/30/03 – 09/30/05
PSC Total	25,417		
Western South China Sea Total	90,054		
Total	305,303		

