

Glossary

API gravity

The America Petroleum Institute's scale for specific gravity for liquid hydrocarbons, measured in degrees.

Appraisal well

An exploratory well drilled for the purpose of evaluating the commerciality of a geological trap in which petroleum has been discovered.

Bbls

Barrels

Bcf

Billion cubic feet

BOE

Barrels-of-oil-equivalent

DD&A

Depreciation, depletion and amortization

Dismantlement

Post closure and other environmental exit

Lifting costs per barrel

$(\text{Operating expenditures} + \text{production taxes}) / \text{total net production}$

Downstream business

Refinery and petrochemical processing

Finding costs

For a given period, costs incurred in identifying areas that may warrant examination and in examining specific areas that are considered to have prospects of containing oil and gas reserves, including costs of drilling exploratory wells.

FPSO

Floating, Production, Storage and Offloading

LNG

Liquefied Natural Gas

Mbbls

Thousand barrels

MBOE

Thousand barrels of equivalent

Mcf

Thousand cubic feet

Mmboe

Million barrels-of-oil equivalent

Mmbbls

Million barrels

Mmcf

Million cubic feet

Net Production

Net production is calculated in the same way as net proved reserves.

Net reserve additions

Total additions of reserves plus or minus reserves revisions

OGP

International Association of Oil & Gas Producers

Net Proved Reserves

The Group's net proved reserves consist of its percentage interest in reserves, comprised of a 100% interest in its independent oil and gas properties and its participating interest in the properties covered under the production sharing contracts in PRC, less (a) an adjustment for the Group's share of royalties payable by the Group to the PRC government and the Group's participating interest in share oil payable to the PRC government under the production sharing contracts, and less (b) an adjustment for production allocable to foreign partners under the PRC attributable to the Group's participating interest, and plus (a) its participating interest in the properties in Australia, and (b) the participating interest in the properties covered under the production sharing contracts in Indonesia less an adjustment of share oil attributable to the Indonesian government and the domestic market obligation.

PSC

Production sharing contract

Reserve replacement ratio

For a given year, total additions to proved reserves divided by production during the year

Total production costs per barrel

(operating expenditures + production taxes + dismantlement + DD&A + SG&A)/total net production

Upstream business

Oil and gas exploration, development, production and sales

Wildcats

A well drilled on any geological trap for the purpose of searching for petroleum accumulations in an area or rock formation that has no known reserves or previous discoveries

Note: In calculating barrels-of-oil equivalent, or BOE, we have assumed that 6,000 cubic feet of natural gas equals one BOE, with the exception of natural gas from certain fields which is converted using the actual heating value of the natural gas.