

# Consolidated Statement of Changes in Equity

YEAR ENDED 31 DECEMBER 2006

(ALL AMOUNTS EXPRESSED IN THOUSANDS OF RENMINBI)

	Issued share capital	Share premium and capital redemption reserve	Cumulative translation reserve	Statutory and non-distributive reserves	Other reserves	Retained earnings	Total	Minority Interests	Total equity
Balances at 1 January 2005	876,586	20,761,597	(19,654)	9,413,610	110,144	25,300,507	56,442,790	—	56,442,790
Changes in fair value of available-for-sale investments	—	—	—	—	69,069	—	69,069	—	69,069
Exchange realignment	—	—	(493,289)	—	—	—	(493,289)	—	(493,289)
Total income and expenses for the year recognised directly in equity	—	—	(493,289)	—	69,069	—	(424,220)	—	(424,220)
Profit for the year	—	—	—	—	—	25,323,122	25,323,122	—	25,323,122
Total income and expenses for the year	—	—	(493,289)	—	69,069	25,323,122	24,898,902	—	24,898,902
2004 final dividends	—	—	—	—	—	(3,495,962)	(3,495,962)	—	(3,495,962)
2005 interim dividends	—	—	—	—	—	(4,276,256)	(4,276,256)	—	(4,276,256)
Exercise of share options	49	4,451	—	—	—	—	4,500	—	4,500
Appropriation to statutory reserves	—	—	—	2,268,364	—	(2,268,364)	—	—	—
Equity-settled share option expenses	—	—	—	—	29,123	—	29,123	—	29,123
Balances at 31 December 2005*	876,635	20,766,048	(512,943)	11,681,974	208,336	40,583,047	73,603,097	—	73,603,097
Balances at 1 January 2006	876,635	20,766,048	(512,943)	11,681,974	208,336	40,583,047	73,603,097	—	73,603,097
Changes in fair value of available-for-sale investments	—	—	—	—	(9,059)	—	(9,059)	—	(9,059)
Exchange realignment	—	—	(1,257,594)	—	—	—	(1,257,594)	—	(1,257,594)
Total income and expenses for the year recognised directly in equity	—	—	(1,257,594)	—	(9,059)	—	(1,266,653)	—	(1,266,653)
Profit for the year	—	—	—	—	—	30,926,943	30,926,943	—	30,926,943
Total income and expenses for the year	—	—	(1,257,594)	—	(9,059)	30,926,943	29,660,290	—	29,660,290
Acquisition of a subsidiary (note 4)	—	—	—	—	—	—	—	41,945	41,945
2005 final dividends	—	—	—	—	—	(4,479,620)	(4,479,620)	—	(4,479,620)
2006 interim dividends	—	—	—	—	—	(5,334,091)	(5,334,091)	—	(5,334,091)
Transfer to/(from) reserve**	—	—	—	5,000,000	—	(5,000,000)	—	—	—
Issue of shares	46,994	14,195,775	—	—	—	—	14,242,769	—	14,242,769
Exercise of share options	24	3,691	—	—	—	—	3,715	—	3,715
Appropriation to statutory reserve	—	—	—	2,778,657	—	(2,778,657)	—	—	—
Equity-settled share option expenses	—	—	—	—	75,768	—	75,768	—	75,768
Balances at 31 December 2006*	923,653	34,965,514	(1,770,537)	19,460,631	275,045	53,917,622	107,771,928	41,945	107,813,873

\* These reserve accounts comprise the consolidated reserves of approximately RMB106,848,275,000 (2005: RMB72,726,462,000) in the consolidated balance sheet.

\*\* During the year, one of the Company's subsidiaries, CNOOC China Limited, increased its share capital from RMB15 billion to RMB20 billion through the reinvestment of its retained earnings from prior periods.