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## **Launch Announcement for Warrants to be issued by**



### **UBS AG**

(incorporated with limited liability in Switzerland)

acting through its **London Branch**

### **Sponsor**

**UBS SECURITIES ASIA LIMITED**

#### **Particulars of Warrants**

**We intend to issue the following Warrants:**

#### **Warrants**

<b>Stock code</b>	18562
<b>Issue size</b>	200,000,000 Warrants
<b>Type</b>	European style cash settled call warrants
<b>Company</b>	CNOOC Limited
<b>Shares</b>	Existing issued ordinary shares of HKD 0.02 each
<b>Board Lot</b>	10,000 Warrants
<b>Issue Price</b>	HKD 0.250
<b>Exercise Price</b>	HKD 13.500
<b>Launch Date</b>	16 May 2012
<b>Issue Date</b>	22 May 2012
<b>Expected listing date</b>	23 May 2012
<b>Expiry Date</b>	29 April 2013
<b>Entitlement</b>	1 Share
<b>Number of Warrant(s) per Entitlement</b>	10 Warrants
<b>Implied Volatility*</b>	39.50%
<b>Effective Gearing*</b>	3.58x
<b>Gearing*</b>	5.86x
<b>Premium*</b>	9.14%

\* This data may fluctuate during the life of the Warrants and may not be comparable to similar information provided by other issuers of derivative warrants. Each issuer may use different pricing models.

### How much will you receive at expiry?

You are not required to deliver any exercise notice and the Warrants will be automatically exercised on the Expiry Date if the Cash Settlement Amount is greater than zero. You will receive a Cash Settlement Amount per Board Lot in Hong Kong dollars calculated as follows (if positive):

$$\text{Cash Settlement Amount per Board Lot} = \frac{\text{Entitlement} \times (\text{Average Price} - \text{Exercise Price}) \times \text{one Board Lot}}{\text{Number of Warrant(s) per Entitlement}}$$

“**Average Price**” means the arithmetic mean of the closing price of one Share (as derived from the Daily Quotation Sheet of the Stock Exchange) for each of the five Business Days immediately preceding the Expiry Date, subject to adjustment in accordance with the terms and conditions of the Warrants.

### Listing of the Warrants

We will make an application to the Stock Exchange for listing of, and permission to deal in the Warrants on the Stock Exchange.

### Where do you obtain quotes?

You may request to obtain a quote for your Warrants by calling the following telephone number:

Stock code:	18562
Name of Liquidity Provider:	UBS Securities Hong Kong Limited
Address:	52/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong
Broker ID Number:	9563
Telephone number:	+ 852 2971 6628

We do not have any special arrangements in place with any brokers with respect to our Warrants.

### Where can you inspect the relevant documents?

The following documents (“**Listing Documents**”), each in separate English and Chinese versions, are available for inspection until the Expiry Date at 52/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong :

- 1 our base listing document dated 10 April 2012; and
- 2 the relevant supplemental listing document for the Warrants to be dated on or about 22 May 2012.

## IMPORTANT INFORMATION

### Unsecured nature of the Warrants

The Warrants constitute our general unsecured contractual obligations and of no other person. You are relying upon our creditworthiness and have no rights under the Warrants against the Company.

### Issuer

Our long term debt ratings are:

Rating Agency	Rating as of the Launch Date
Moody's Investors Service, Inc., New York	Aa3
Standard and Poor's Ratings Services, a division of the McGraw-Hill Companies Inc.	A
Fitch Ratings Ltd., London	A

We are a licensed bank regulated by the Hong Kong Monetary Authority. We are also regulated by, among others, the Swiss Financial Market Supervisory Authority and the Financial Services Authority of United Kingdom.

### Selling restriction

The Warrants have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and will not be offered, sold, delivered or traded, at any time, indirectly or directly, in the United States or to, or for the account or benefit of, any U.S. person (as defined in the Securities Act).

### Investment risk

The price of the Warrants may fall in value as rapidly as it may rise and you may sustain a total loss of your investment. If the Cash Settlement Amount is less than or equal to zero, the Warrants will expire worthless on the Expiry Date.

We or the Liquidity Provider may be the only market participant for the Warrants. The secondary market for the Warrants may be limited.

### You must:

- carefully study the risk factors set out in the relevant Listing Documents;
- fully understand the potential risks and rewards and independently determine whether the Warrants are appropriate for you given your objectives, experience, financial and operational resources, and other relevant circumstances; and
- consult with such advisers as you deem necessary to assist yourself in making these determinations.

Hong Kong, 16 May 2012