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CNOOC Limited
(中國海洋石油有限公司)

(Incorporated in Hong Kong with limited liability under the Companies Ordinance)
(Stock Code: 00883)

2014 Business Strategy

In line with its policy of keeping the market informed of its activities, the Company announces a summary of its business strategy and development plan for the year 2014.

This announcement includes “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, including statements regarding expected future events, business prospectus or financial results. The words “expect”, “anticipate”, “continue”, “estimate”, “objective”, “ongoing”, “may”, “will”, “project”, “should”, “believe”, “plans”, “intends” and similar expressions are intended to identify such forward-looking statements. These statements are based on assumptions and analyses made by the Company that it believes are appropriate under the circumstances. However, whether actual results and developments will meet the expectations and predictions of the Company depends on a number of risks and uncertainties which could cause the actual results, performance and financial condition to differ materially from the Company’s expectations. For a description of these risks and uncertainties, please see the documents the Company files from time to time with the United States Securities and Exchange Commission, including the 2012 Annual Report on Form 20-F filed on 24 April 2013.

In line with its policy of keeping the market informed of its activities, CNOOC Limited (the “Company”) announces a summary of its business strategy and development plan for the year 2014.

The total targeted net production of the Company in 2014 is 422 million to 435 million barrels of oil equivalent (BOE)*, including 69 million BOE as a result of the acquisition of Nexen Inc. (Nexen) (assuming Brent at US\$102.0/barrel). The Company’s net production for 2013 is estimated to be approximately 412 million BOE*, including 61 million BOE as a result of the acquisition of Nexen (assuming Brent at US\$108.8/barrel).

In 2014, 7 to 10 new projects of the Company are expected to come on stream. Kenli 3-2 project, located in Southern Bohai, is expected to reach a peak production of around 37 thousand BOE per day; Qinhuangdao 32-6 comprehensive adjustment project, located in Central Bohai, is expected to reach a peak production of around 36 thousand barrels per day; Enping 24-2 project, located in North Pearl River Mouth Basin, is expected to reach a peak production of around 40 thousand barrels per day. The above projects will greatly facilitate the production growth in offshore China. Moreover, Golden Eagle project in the North Sea of United Kingdom is expected to reach a peak production of around 70 thousand BOE per day. The Company holds 36.5% interest of the Golden

Eagle project and acts as the operator. The Company expects a busy construction pipeline with about twenty new projects under construction during the year of 2014. The Company maintains its production growth target of 2011 to 2015.

In 2014, the Company plans to drill approximately 155 exploration wells and acquire approximately 26.7 thousand kilometers 2-Dimensional (2D) seismic data as well as approximately 19.4 thousand square kilometers 3-Dimensional (3D) seismic data. The Company will continue to implement an intensive exploration program and strengthen deepwater exploration in the year of 2014. The Company aims to achieve a reserve replacement ratio (RRR) of over 100% in 2014.

In 2014, in order to strengthen its exploration and development activities, the Company's total capital expenditure is expected to reach RMB105.0 billion to 120.0 billion (with Nexen accounting for around 19%), among which, the capital expenditures for exploration, development and production account for around 19%, 65%, and 14%, respectively. The Company expects that such capital expenditure will strongly support its production and reserve growth in the future.

**Including our interest in equity-accounted investees.*

By Order of the Board
CNOOC Limited
Zhong Hua
Joint Company Secretary

Hong Kong, 20 January 2014

As at the date of this announcement, the Board comprises the following:

Executive Directors

Li Fanrong
Wu Guangqi

Independent Non-executive Directors

Chiu Sung Hong
Lawrence J. Lau
Tse Hau Yin, Aloysius
Wang Tao

Non-executive Directors

Wang Yilin (*Chairman*)
Yang Hua (*Vice Chairman*)
Lv Bo
Zhang Jianwei
Wang Jiaxiang

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These statements are based on assumptions and analyses made by the Company in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors the Company believes are appropriate under the circumstances. However, whether actual results and developments will meet the expectations and predictions of the Company depends on a number of risks and uncertainties which could cause the actual results, performance and financial condition to differ materially from the Company’s expectations, including those associated with fluctuations in crude oil and natural gas prices, the exploration or development activities, the capital expenditure requirements, the business strategy, whether the transactions entered into by the Group can complete on schedule pursuant to the terms and timetable or at all, the highly competitive nature of the oil and natural gas industries, the foreign operations, environmental liabilities and compliance requirements, and economic and political conditions in the People’s Republic of China. For a description of these risks and uncertainties, please see the documents the Company files from time to time with the United States Securities and Exchange Commission, including the 2012 Annual Report on Form 20-F filed on 24 April 2013. Consequently, all of the forward-looking statements made in this announcement are qualified by these cautionary statements. The Company cannot assure that the results or developments anticipated will be realised or, even if substantially realised, that they will have the expected effect on the Company, its business or operations.