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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)

2016 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 2016.

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 depend 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 2014 Annual Report on Form 20-F filed on 22 April 2015.

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 2016.

The Company’s targeted net production for 2016 is 470 million to 485 million barrels of oil equivalent (BOE)*, of which, production from China and overseas accounts for approximately 66% and 34%, respectively. The Company’s net production for 2015 is expected to be approximately 495 million BOE. The Company’s net production for 2017 and 2018 is estimated to be approximately 484 million BOE and 502 million BOE, respectively.

In 2016, four new projects are expected to come on stream, namely Kenli 10-4, Panyu 11-5, Weizhou 6-9/6-10 oilfield comprehensive adjustment and Enping 18-1. Currently, nearly 20 projects are under construction.

In 2016, the Company plans to drill 115 exploration wells and acquire approximately 10 thousand kilometers 2-Dimensional (2D) seismic data as well as approximately 14 thousand square kilometers 3-Dimensional (3D) seismic data.

The Company's total capital expenditure for 2016 will be no more than RMB60.0 billion. The capital expenditures for exploration, development and production account for approximately 19%, 64% and 13%, respectively. With the decrease in capital expenditures, the Company expects to achieve the whole-year targets by cost control and efficiency enhancement.

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

By Order of the Board
CNOOC Limited
Li Jiewen
Joint Company Secretary

Hong Kong, 19 January 2016

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
Kevin G. Lynch

Non-executive Directors

Yang Hua (*Chairman*)
Lv Bo

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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 2014 Annual Report on Form 20-F filed on 22 April 2015. 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.