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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)

ANNOUNCEMENT

The Board hereby announces certain selected unaudited key operational statistics of the Group for the third quarter of 2016 (ended 30 September 2016). The comparative statistics of the Group for the third quarter of 2015 (ended 30 September 2015) are also disclosed in this announcement.

The board of directors of CNOOC Limited (the “Company”) (the “Board”) hereby announces certain selected unaudited key operational statistics of the Company and its subsidiaries (together the “Group”) for the third quarter of 2016 (ended 30 September 2016). The comparative statistics of the Group for the third quarter of 2015 (ended 30 September 2015) are also disclosed in this announcement.

The Company achieved a total net production of 117.7 million barrels of oil equivalent (“BOE”) for the third quarter of 2016, representing a decrease of 7.7% year over year (“YoY”). Production from offshore China decreased 9.2% YoY to 75.6 million BOE, mainly due to production decline of existing fields and weak demand from the natural gas market. Overseas production decreased 5.0% YoY to 42.1 million BOE, mainly due to YoY decrease in the production of the Buzzard oilfield in U.K North Sea and the Long Lake project in Canada.

For the third quarter of 2016, the Company made one new discovery, namely Panyu 4-1, and drilled ten successful appraisal wells offshore China.

On development and production, Weizhou 6-9/6-10 comprehensive adjustment project and Enping 18-1 oilfield commenced production during the period. All 4 new projects planned for this year have commenced production.

The unaudited oil and gas sales revenue of the Company reached approximately RMB30.75 billion for the third quarter of 2016, representing a decrease of 15.2% YoY, mainly due to the decrease of average realized oil and gas prices and production decline. During the period, the Company’s average realized oil price decreased 13.5% YoY to US\$42.26 per barrel, which is in line with lower international oil prices. The Company’s average realized gas price was US\$5.22 per thousand cubic feet, representing a decrease of 18.6% YoY, mainly because the Company adjusted its sales price to certain natural gas customers through negotiation following the decrease of onshore natural gas price in China.

For the third quarter of 2016, the Company's capital expenditure reached approximately RMB11.67 billion (capitalized interests RMB0.38 billion not included), representing a decrease of 20.9% YoY, mainly because the Company continued cost control and efficiency improvement efforts and decreased capital expenditures in response to the low oil price environment.

Third Quarter and Year-to-Date Net Production Summary (Unaudited)*

	2016						2015					
	Q3			YTD			Q3			YTD		
	Crude & Liquids (mmbbls)	Natural Gas (bcf)	Total (mm BOE)	Crude & Liquids (mmbbls)	Natural Gas (bcf)	Total (mm BOE)	Crude & Liquids (mmbbls)	Natural Gas (bcf)	Total (mm BOE)	Crude & Liquids (mmbbls)	Natural Gas (bcf)	Total (mm BOE)
China												
Bohai	40.9	11.3	42.8	127.4	35.9	133.4	45.3	12.3	47.3	128.6	37.1	134.8
Western South China Sea	8.4	25.1	12.6	27.7	72.9	40.0	8.1	29.5	13.1	25.1	86.5	39.9
Eastern South China Sea	16.4	14.3	18.8	50.6	47.8	58.6	17.8	24.3	21.8	52.0	58.7	61.8
East China Sea	0.4	5.7	1.3	1.0	15.8	3.6	0.3	4.3	1.0	0.9	13.2	3.1
Subtotal	66.0	56.5	75.6	206.7	172.4	235.6	71.4	70.4	83.3	206.6	195.5	239.5
Overseas												
Asia (excluding China)	4.4	15.0	7.1	13.2	41.9	20.8	4.0	13.0	6.3	12.3	37.3	19.0
Oceania	0.4	12.2	2.8	1.1	30.1	7.0	0.4	11.4	2.6	0.8	22.7	5.3
Africa	7.7	—	7.7	22.1	—	22.1	7.8	—	7.8	22.7	—	22.7
North America (excluding Canada)	4.7	11.4	6.6	13.1	33.9	18.7	5.3	12.1	7.3	15.3	35.8	21.2
Canada	4.6	4.4	5.3	9.4	13.4	11.6	4.5	5.9	5.5	12.7	19.4	16.0
South America	2.0	14.0	4.5	6.3	41.4	13.4	2.3	13.6	4.6	6.8	39.4	13.6
Europe	7.7	2.3	8.1	28.2	10.3	29.9	9.5	3.5	10.1	28.4	12.1	30.4
Subtotal	31.6	59.2	42.1	93.4	170.9	123.6	33.8	59.5	44.3	99.0	166.7	128.1
Total	97.6	115.7	117.7	300.0	343.3	359.2	105.2	129.9	127.5	305.6	362.2	367.7

* Including our interest in equity method investees, which is approximately 4.5 mmBOE in Q3 2016 and 4.7 mmBOE in Q3 2015.

Third Quarter and Year-to-Date Revenue and Capital Expenditure (Unaudited)

	RMB (million)				US\$ (million)			
	2016 Q3	YTD	2015 Q3	YTD	2016 Q3	YTD	2015 Q3	YTD
Sales Revenue								
Crude and liquids	27,230	75,181	31,608	100,371	4,085	11,438	5,059	16,270
Natural gas	3,517	10,649	4,644	12,915	528	1,620	743	2,094
Marketing revenue, net	323	918	338	1,183	48	140	54	192
Others	1,192	2,883	1,131	2,276	179	439	181	369
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Total	32,262	89,631	37,721	116,745	4,840	13,637	6,037	18,925
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Capital Expenditures*								
Exploration	1,906	6,190	3,591	10,774	286	942	575	1,746
Development	8,059	23,312	9,337	31,386	1,209	3,547	1,494	5,088
Production	1,668	4,005	1,739	5,377	250	609	278	872
Others	35	137	86	280	6	21	14	45
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Total	11,668	33,644	14,753	47,817	1,751	5,119	2,361	7,751
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* Capitalized interests were not included. Capitalized interests for Q3 2016 was RMB375 million.

For the purpose of this announcement, unless otherwise indicated, an exchange rate of US\$1 = RMB6.6655 has been used for the third quarter of 2016, and an exchange rate of US\$1 = RMB6.2480 has been used for the third quarter of 2015, where applicable. The usage of these exchange rates is for illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged or converted at the above rates or at any other rate at all.

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

Hong Kong, 26 October 2016

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

Executive Directors

Yang Hua (Chairman)

Yuan Guangyu

Non-executive Directors

Wu Guangqi

Lv Bo

Independent Non-executive Directors

Chiu Sung Hong

Lawrence J. Lau

Tse Hau Yin, Aloysius

Kevin G. Lynch