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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 first quarter of 2018 (ended 31 March 2018). The comparative statistics for the first quarter of 2017 (ended 31 March 2017) 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 first quarter of 2018 (ended 31 March 2018). The comparative statistics for the first quarter of 2017 (ended 31 March 2017) are also disclosed in this announcement.

The Company achieved total net production of 120.1 million barrels of oil equivalent (“BOE”) for the first quarter of 2018, representing an increase of 0.8% year over year (“YoY”). Production from offshore China decreased 1.2% YoY to 77.5 million BOE, mainly due to normal decline of the producing fields. Overseas production increased 4.7% YoY to 42.6 million BOE, mainly driven by production growth of Missan project in Iraq and an increase of interests held by Bridas in Pan American Energy.

For the first quarter of 2018, the Company made six new discoveries and drilled fifteen successful appraisal wells. In Eastern South China Sea, new discoveries of Enping 10-2 and Enping 15-2 are expected to be jointly developed with Enping 15-1 to become a mid-sized oilfield. Another two new discoveries, Ranger and Pacora, were made at the Stabroek block in Guyana, which represent the sixth and seventh oil discoveries at the block to date.

For the new projects planned to commence production this year, Stampede oil field and Weizhou 6-13 oil field have commenced production, and other projects have progressed smoothly.

The unaudited oil and gas sales revenue of the Company reached approximately RMB 42.54 billion for the first quarter of 2018, representing an increase of 10.8% YoY, mainly due to the significant rebound in international oil prices. During the period, the Company’s average realized oil price increased 23.0% YoY to US\$63.50 per barrel, which is in line with the international oil prices trend. The Company’s average realized gas price was US\$6.47 per thousand cubic feet, increasing by 7.8% YoY, primarily due to the increased volume from gas fields with higher realized gas price.

For the first quarter of 2018, the Company's capital expenditure reached approximately RMB 9.66 billion.

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

	2018						2017					
	Q1		Total	YTD		Q1		Total	YTD			
	Crude & Liquids	Natural Gas		Crude & Liquids	Natural Gas	Crude & Liquids	Natural Gas		Crude & Liquids	Natural Gas		
(mmbbls)	(bcf)	(mm BOE)	(mmbbls)	(bcf)	(mm BOE)	(mmbbls)	(bcf)	(mm BOE)	(mmbbls)	(bcf)	(mm BOE)	
China												
Bohai	38.8	15.0	41.3	38.8	15.0	41.3	40.5	13.6	42.7	40.5	13.6	42.7
Western South China Sea	9.5	24.6	13.6	9.5	24.6	13.6	9.3	25.7	13.7	9.3	25.7	13.7
Eastern South China Sea	16.7	26.8	21.2	16.7	26.8	21.2	17.5	18.8	20.7	17.5	18.8	20.7
East China Sea	0.4	5.3	1.3	0.4	5.3	1.3	0.4	5.6	1.4	0.4	5.6	1.4
Others	-	0.2	0.04	-	0.2	0.04	-	-	-	-	-	-
Subtotal	65.5	71.9	77.5	65.5	71.9	77.5	67.7	63.7	78.4	67.7	63.7	78.4
Overseas												
Asia (excluding China)	6.2	14.1	8.8	6.2	14.1	8.8	4.6	12.8	6.9	4.6	12.8	6.9
Oceania	0.3	6.8	1.6	0.3	6.8	1.6	0.2	4.3	1.0	0.2	4.3	1.0
Africa	5.9	-	5.9	5.9	-	5.9	7.2	-	7.2	7.2	-	7.2
North America (excluding Canada)	4.5	11.9	6.4	4.5	11.9	6.4	4.2	11.0	6.0	4.2	11.0	6.0
Canada	5.8	3.5	6.3	5.8	3.5	6.3	4.9	4.0	5.6	4.9	4.0	5.6
South America	2.6	15.2	5.2	2.6	15.2	5.2	2.0	12.3	4.1	2.0	12.3	4.1
Europe	7.9	2.3	8.3	7.9	2.3	8.3	9.4	2.5	9.8	9.4	2.5	9.8
Subtotal	33.1	53.8	42.6	33.1	53.8	42.6	32.4	46.9	40.6	32.4	46.9	40.6
Total	98.6	125.7	120.1	98.6	125.7	120.1	100.2	110.6	119.1	100.2	110.6	119.1

* Including our interest in equity method investees, which is approximately 5.2 mmboe in Q1 2018 and 4.2 mmboe in Q1 2017.

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

	RMB (millions)				US\$ (millions)			
	2018 Q1	YTD	2017 Q1	YTD	2018 Q1	YTD	2017 Q1	YTD
Sales Revenue								
Crude and liquids	38,001	38,001	34,354	34,354	5,977	5,977	4,990	4,990
Natural gas	4,535	4,535	4,039	4,039	713	713	587	587
Marketing revenue, net	341	341	228	228	54	54	33	33
Others	1,798	1,798	1,857	1,857	283	283	270	270
Total	44,675	44,675	40,478	40,478	7,027	7,027	5,880	5,880
Capital Expenditures								
Exploration	1,901	1,901	2,101	2,101	299	299	305	305
Development	5,963	5,963	5,599	5,599	938	938	813	813
Production	1,775	1,775	962	962	279	279	140	140
Others	16	16	7	7	3	3	1	1
Total	9,655	9,655	8,669	8,669	1,519	1,519	1,259	1,259

* Capitalized interests were not included. Capitalized interests for Q1 2018 and Q1 2017 were RMB578 million and RMB490 million, respectively.

For the purpose of this announcement, unless otherwise indicated, an exchange rate of US\$1 = RMB6.3582 has been used for the first quarter of 2018, and an exchange rate of US\$1 = RMB6.8843 has been used for the first quarter of 2017, 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, 20 April 2018

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

Executive Directors

Yuan Guangyu

Xu Keqiang

Non-executive Directors

Yang Hua (*Chairman*)

Liu Jian (*Vice Chairman*)

Wu Guangqi

Independent Non-executive Directors

Chiu Sung Hong

Lawrence J. Lau

Tse Hau Yin, Aloysius

Kevin G. Lynch