

2024 Strategy Preview

25 January 2024



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Management at Today's Meeting



CNOOC Limited
中国海洋石油有限公司



Zhou Xinhuai

CEO and President



Wang Xin

CFO



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This announcement includes forward looking information, including statements regarding the likely future developments in the business of the Company and its subsidiaries, such as expected future events, business prospects 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 as of this date in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors that the company currently believes are appropriate under the circumstances. However, whether actual results and developments will meet the current expectations and predictions of the Company is uncertain. Affected by some risks and uncertainties, actual results, performance and financial condition may differ materially from the Company's expectations, as a result of salient factors including but not limited to those associated with macro-political and economic factors, fluctuations in crude oil and natural gas prices, the highly competitive nature of the oil and natural gas industry, climate change and environment policies, the Company's price forecast, mergers, acquisitions and divestments activities, HSE and insurance policies and changes in anti-corruption, anti-fraud, anti-money laundering and corporate governance laws and regulations.

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.



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Agenda

2024 Operating Guidance

Outlook





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2024 Operating Guidance

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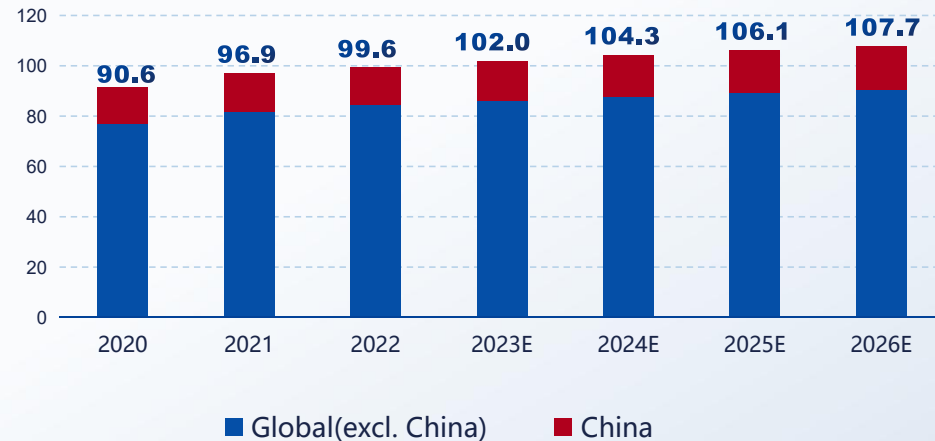


Macro Environment

- The growth rates of global and China's economy are expected to reach 2.9% and 5% in 2024, respectively
- As global oil demand continues to grow, Brent oil prices are expected to remain at high levels in the coming years

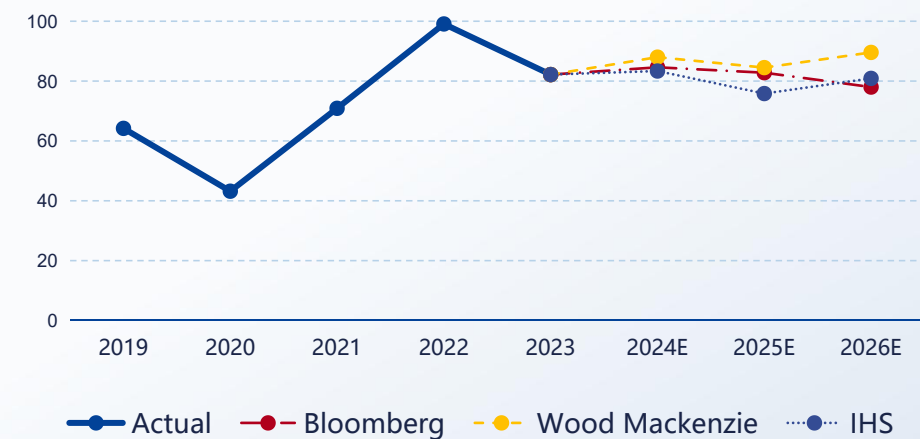
Global oil demand

(mm boe/day)



Brent oil price and forecast

(US\$/barrel)



Source: Global economic growth from IMF's World Economic Outlook (2023), China's economic growth from the China Economic and Financial Outlook Report (2024) by Bank of China, and global oil demand from OPEC's World Oil Outlook (2023)

2024 Operation Targets



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Capex budget

- **RMB125 - 135** billion

Production target

- **700-720** mmboe

Reserve Replacement Ratio

- No less than **130%**

HSE

- Sound HSE performance



Capex and Production Plan

- In 2023, the Company actively promoted engineering standardization. With accelerated capacity construction and project sanction, the capital expenditure is expected to reach RMB128 billion
- Capital expenditure budget for 2024 will remain stable, to support reserves and production growth to a new level
- Production targets for 2024 and 2025 are adjusted upward

Capex

(RMB bn)

120-130

~128

125-135

2023 Budget (Adjusted)

2023 Estimate

2024 Budget

- Guidance at the beginning of 2023
- Increment

Net Production

(mmboe)

~675

700-720

780-800

2023 Estimate

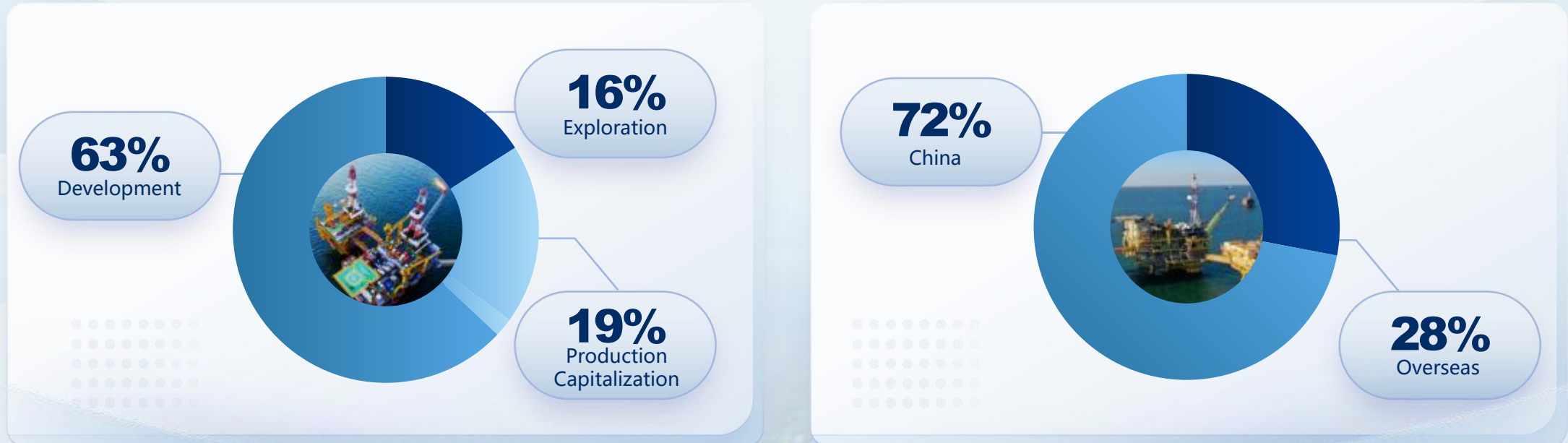
2024 Target

2025 Target

- Guidance at the beginning of 2023
- Increment

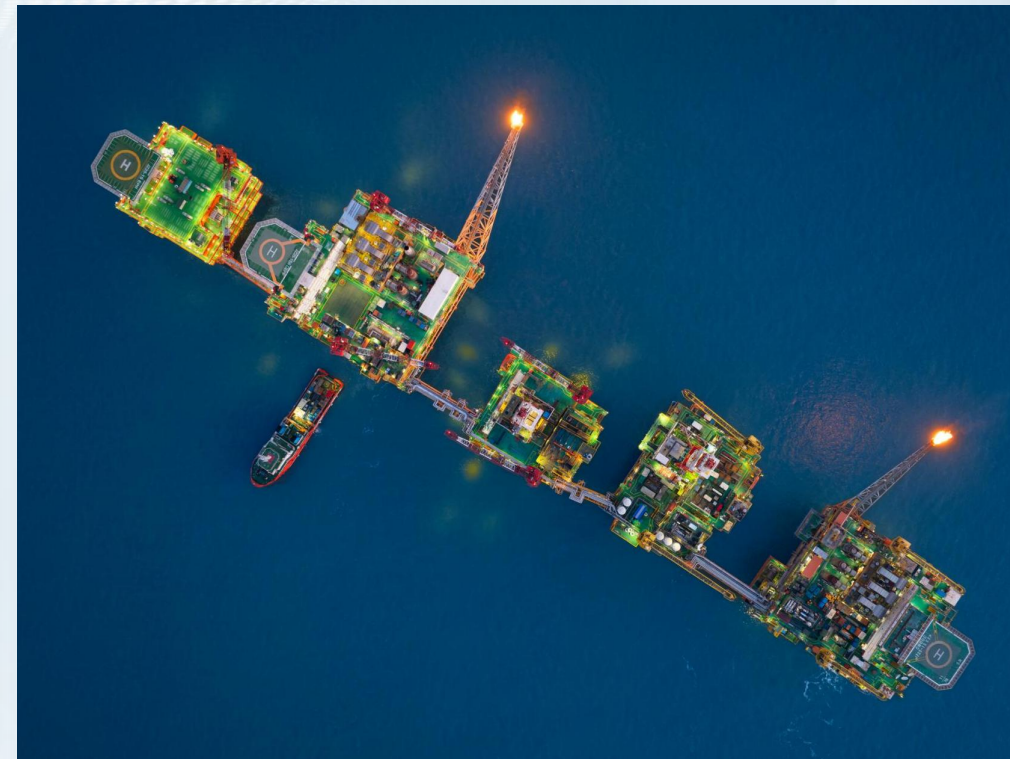
2024 Capex Breakdown

- Focus on investment efficiency and maintain a reasonable Capex structure



Search for mid-to-large sized oil and gas fields, to expand the resource base for reserves and production growth

- Target both oil and gas, and weight more on gas exploration
- Intensify exploration in Bohai, accelerate efforts in the South China Sea, expand exploration in the East China Sea, explore opportunities in Yellow Sea, and strengthen overseas exploration
- Promote unconventional resources exploration



Natural Gas Exploration in China

With focus on natural gas in China, continue to build 3 Trillion-Cubic-Meters-Level Gas Regions

- **South China Sea**

- Proved in-place volume of natural gas reached nearly one trillion cubic meters
- Focus on exploration of deep-water deep-play reservoirs and deep-water ultrashallow-play reservoirs

- **Bohai**

- Proved in-place volume of natural gas exceeded 500 billion cubic meters
- Focus on exploration of shallow-water deep-play/ultra-deep-play reservoirs

- **China Onshore**

- Proved in-place volume of natural gas exceeded 400 billion cubic meters
- Actively promote exploration of tight gas and deep-play coalbed methane

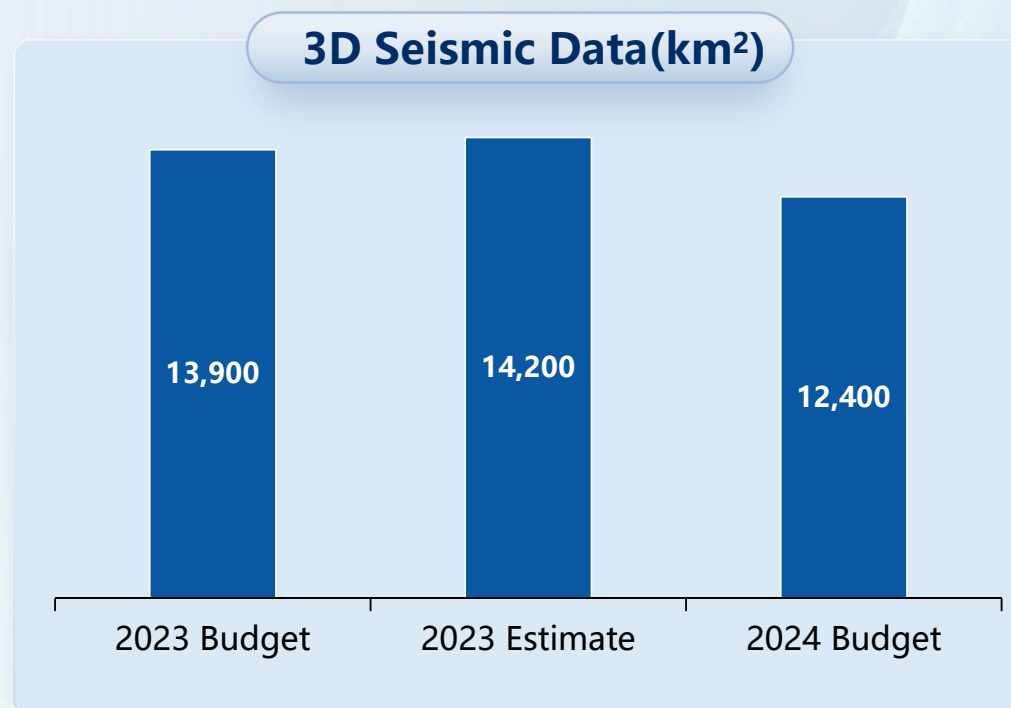
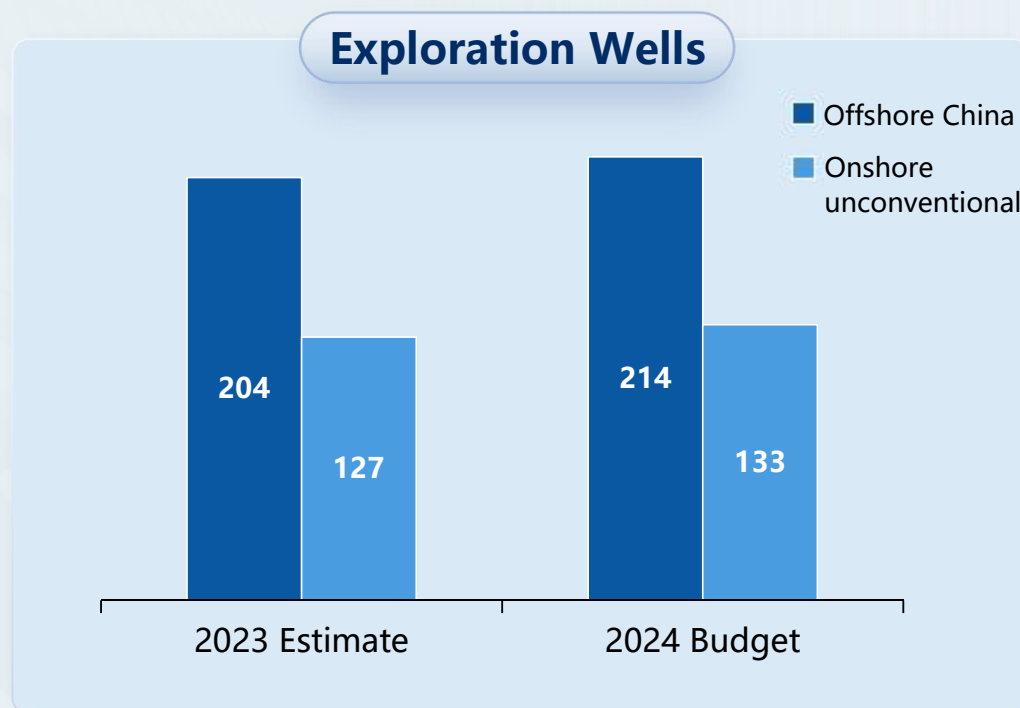


Exploration Workload in China



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- Exploration workload remains at a high level to support reserves and production growth



Development and Production Capex



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Development Capex

- Actively advance key projects

China: Shenhai-1 phase II natural gas development project and Suizhong 36-1/Luda 5-2 Oilfield Secondary Adjustment and Development Project, etc

Overseas: Projects in Guyana and Brazil, etc

- Exert best efforts in drilling quality and schedule control to further improve production and enhance efficiency

Production Capex

- Continuously optimize the deployment of adjustment wells and improve single well production
- Refined description of oil and gas reservoirs to reduce natural decline rate and ensure stable production of oil and gas fields
- Promote key energy conservation and carbon reduction projects such as flare gas recovery



Major Projects in 2024

- Various new projects are scheduled to come on stream in 2024 to boost future production

| Project | Peak Production (boe/d) | Working Interest |
|---|-------------------------|------------------|
| Offshore China | | |
| Bozhong 19-6 Gas Field 13-2 Block 5 Well Site Development Project | 5,800 | 100% |
| Suizhong 36-1/Luda 5-2 Oilfield Secondary Adjustment and Development Project | 30,300 | 100% |
| Suizhong 36-2 Oilfield 36-2 Block Development Project | 9,700 | 100% |
| Bozhong 19-2 Oilfield Development Project | 18,800 | 100% |
| Enping 21-4 Oilfield Development Project | 5,300 | 100% |
| Liuhoa 11-1/4-1 Oilfield Secondary Development Project | 17,900 | 100% |
| Huizhou 26-6 Oilfield Development Project | 20,600 | 100% |
| Wushi 23-5 Oilfields Development Project | 18,100 | 100% |
| Shenhai-1 Phase II Natural Gas Development Project | 27,500 | 100% |
| Onshore China | | |
| Linxing Deep-play Coalbed Methane Exploration and Development Demonstration Project | 11,100 | 100% |
| Shenfu Deep-play Coalbed Methane Exploration and Development Demonstration Project | 11,000 | 100% |
| Overseas | | |
| Mero3 Project in Brazil | 180,000 | 10% |
| Long Lake NW Project in Canada | 8,200 | 100% |



Suizhong 36-1/Luda 5-2 Oilfield Secondary Adjustment Project

- Located in Liaodong Bay in Bohai, with an average water depth of 30 meters
- Largest secondary adjustment project offshore China
- Facilities: 2 central processing platforms and 2 wellhead platforms
- Peak production: 30,300 boe/day
- CNOOC Limited's interest: 100%



Bozhong19-2 Oilfield Development Project

- Located in central Bohai, with an average water depth of 20 meters
- Facilities: 1 central processing platform and 4 wellhead platforms
- Peak production: 18,800 boe/day
- CNOOC Limited's interest: 100%



Shenhai-1 Phase II Natural Gas Development Project

- Located in the Qiongdongnan Basin in the Northern South China Sea, with a water depth of 800-1,000 meters
- China's first deepwater high-temperature and high-pressure project
- Facilities: 3 centralized subsea wellheads and 1 platform
- Peak production: 27,500 boe/day
- CNOOC Limited's interest: 100%



Huizhou 26-6 Oilfield Development Project

- Located in Pearl River Mouth Basin in the Eastern South China Sea, with an average water depth of 110 meters
- Largest oilfield discovered by independent exploration in the Pearl River Mouth Basin
- Facilities: 1 drilling, production and processing platform
- Peak production: 20,600 boe/day
- CNOOC Limited's interest: 100%



Shenfu Deep-play Coalbed Methane Exploration and Development Demonstration Project

- Located at the northeastern edge of the Erdos Basin, with an average burial depth of 2,000 meters
- Facilities: 1 booster station and 1 gas gathering station
- Peak Production: 11,000 boe/day
- CNOOC Limited's interest: 100%



Mero3 Project in Brazil

- Located in the Santos Basin in offshore southeastern Brazil, with a water depth of 2,000-2,200 meters
- Mero Field is the third largest oilfield in Brazil
- Major production facilities: 1 FPSO and 1 subsea production system
- Peak Production: 180,000 boe/day
- CNOOC Limited's interest: 10%





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Outlook



Future Operating Strategy



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**Reserves &
Production
Growth**

**Technological
Innovation**

**Green
Development**

- Advance the “three major programs” , and implement the Initiative of Quality & Efficiency Enhancement
- Continuously improve value creation capability to bring more return to shareholders

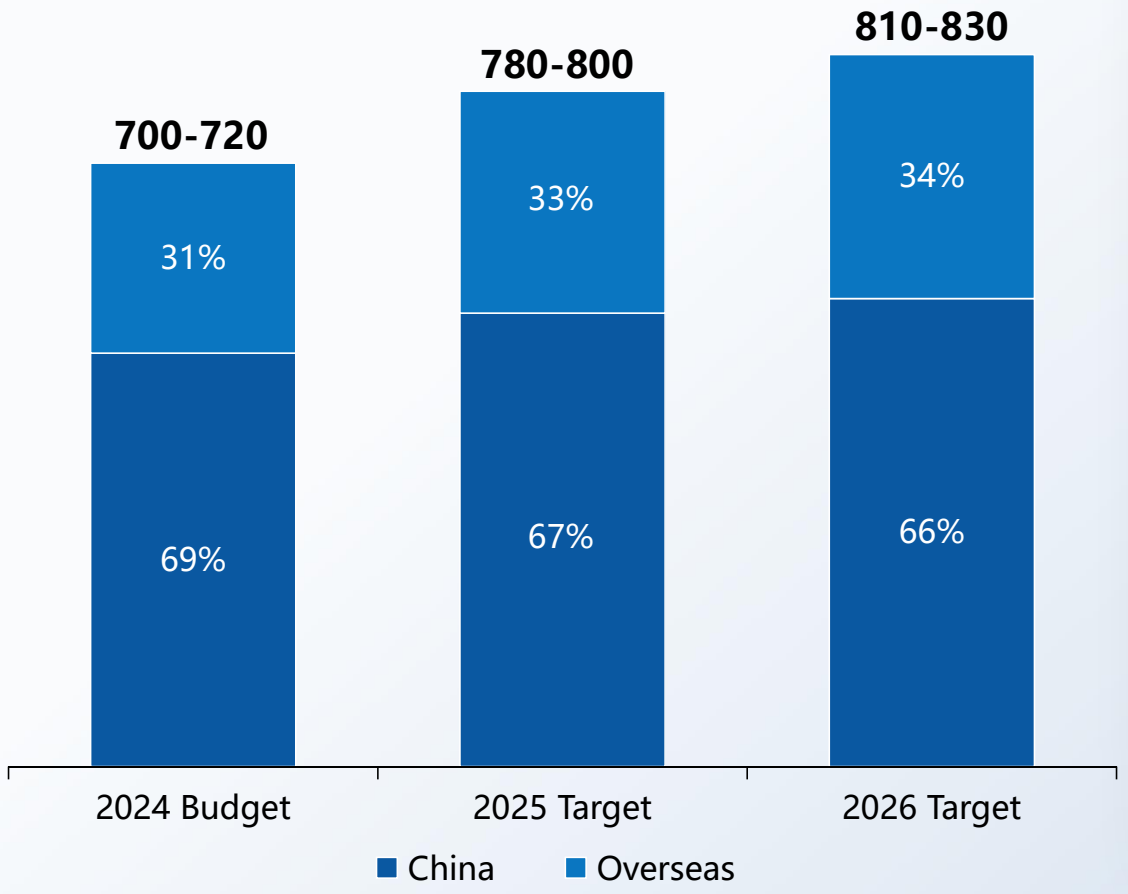


Three-year Rolling Production Targets and Major Projects



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(mmbobe)



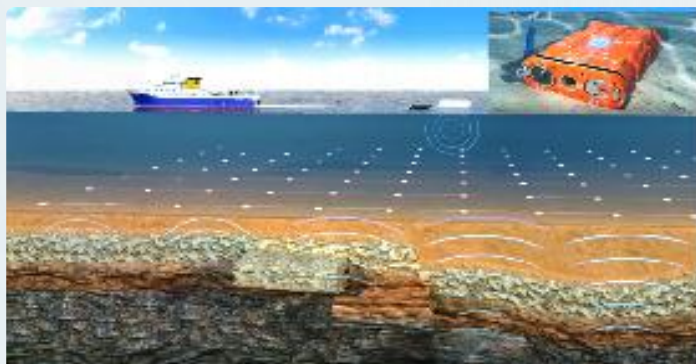
China

- ✓ Suizhong 36-1/Luda 5-2 Oilfield Secondary Adjustment Development Project
- ✓ Bozhong 19-2 Oilfield Development Project
- ✓ Bozhong 26-6 Oilfield Development Project(Phase I)
- ✓ Kenli 10-2 Oilfield Development Project
- ✓ Luda 21-2 Oilfield Phase II Development Project
- ✓ Jinzhou 23-2 Oilfield Development Project
- ✓ Huizhou 26-6 Oilfield Development Project
- ✓ Lihua 11-1/4-1 Oilfield Secondary Development Project
- ✓ Panyu 10-1 Oilfield Development Project
- ✓ Panyu 10-2 Oilfield Comprehensive Adjustment Project Development Project
- ✓ Xijiang 30-1 Oilfield Xijiang 30-2 Block Development Project
- ✓ Wenchang 16-2 Oilfield Development Project
- ✓ Shenhai-1 Phase II Project
- ✓ Lingshui 17-2 Gas Field 10d and 11d Well Sites Development Project
- ✓ Dongfang 13-3 Area Development Project
- ✓ Dongfang 1-1 Gas Field 7 Well Site Development Project
- ✓ Shenfu Deep-play Coalbed Methane Exploration and Development Demonstration Project
- ✓ Linxing Deep-play Coalbed Methane Exploration and Development Demonstration Project

Overseas

- ✓ Yellowtail Project in Guyana
- ✓ Uaru Project in Guyana
- ✓ Whiptail Project in Guyana
- ✓ Buzios6 Project in Brazil
- ✓ Buzios7 Project in Brazil
- ✓ Buzios8 Project in Brazil
- ✓ Buzios9 Project in Brazil
- ✓ Mero3 Project in Brazil
- ✓ Mero4 Project in Brazil
- ✓ Long Lake NW Project in Canada
- ✓ Long Lake K1B Project in Canada
- ✓ OML139&154 Block Owowo Project in Nigeria
- ✓ OML130 Block Preowei Project in Nigeria
- ✓ Kingfisher Project in Uganda
- ✓ Tilenga Project in Uganda

Enabling high-quality development through technological innovation



Research and application of exploration and development technologies

- Deepen research on exploration and development technologies in deep water/deep play, high-temperature and high pressure areas
- Improve technology for stabilizing and increasing production from producing oilfields
- Promote the application of technologies such as subsea production systems



Construction and application of intelligent production

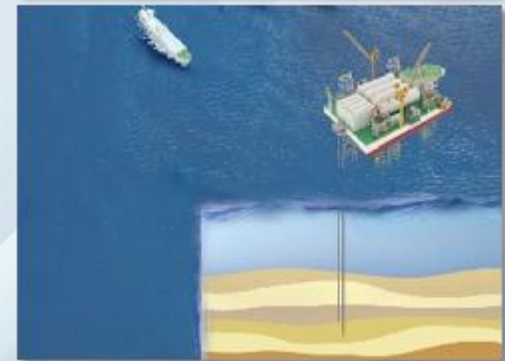
- Promote the construction of intelligent oil and gas fields, refine and optimize the scenarios construction of digitalization
- Accelerate the construction of unmanned and semi-unmanned platforms, and speed up installation of typhoon mode



Research on green and low carbon technologies

- Promote the exploration of new energy development and utilization such as deep-sea floating wind power
- Conduct continuous research and development of key technologies for CCUS onshore and offshore integration, and form a technical system for offshore CCUS engineering, drilling and completion, monitoring and evaluation

- **Steadily explore the new energy business**
 - Continuously improve the level of green power substitution, with green power consumption expected to exceed 700 million kWh in 2024
- **Promote the industrialization of CCS/CCUS**
 - Facilitate the comprehensive assessment of CCS/CCUS potential in offshore China
 - Build an offshore CCUS demonstration center in northern offshore China, centering on Bozhong 19-6 gas field
 - Continuously carry out research on the CCS/CCUS demonstration project in Daya bay



- **Develop differentiated competitive advantages and strive to become a leader in deep-sea floating wind power generation**
- **Promote the integrated development of offshore wind power and oil and gas production**
 - Penglai oilfields distributed wind power connected to the oilfield power grid, realizing the integration of onshore power, wind power and regional power grid
 - Eastern Guangdong deep-sea floating wind power connected to the Lufeng oilfield, exploring the application of large-capacity wind turbines and new mooring system
 - Weizhou distributed wind power connected to the Weizhou oilfields power grid, developing a comprehensive green energy island demonstration project



Focus on Shareholders' Return



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- The Company always focuses on shareholders' return and strive to share the results of its development with the shareholders

2022-2024

- Annual dividend payout ratio $\geq 40\%$
- Annual absolute dividend \geq HK\$0.70 /share (tax inclusive)





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