



CNOOC Limited  
中国海洋石油有限公司

# 2024

# Mid-Year Review

2024.8.29





# Board of Directors and Management at Today's Conference



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*Vice Chairman, CEO and President*  
Zhou Xinhuai



*Independent Non-executive Director*  
Lin Boqiang



*Joint Company Secretary*  
Xu Yugao



*CFO*  
Wang Xin



# Disclaimer



This interim report 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. Actual results, performance and financial condition may differ materially from the Company's expectations, as a result of uncertainty 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, HSSE and insurance policies and changes in anticorruption, anti-fraud, anti-money laundering and corporate governance laws and regulations.

Consequently, all of the forward-looking statements made in this report 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



**Operating Results**

**Business Highlights**

**Outlook**







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# Operating Results

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- Achieved significant growth in reserves, production and value creation. The main operating indicators hit record highs and the safety and environmental protection level improved steadily

## Exploration results

- 7 new discoveries and 18 successful appraisals of oil and gas structures

## Net production

- 362.6 million boe, up 9.3% YoY

## Oil and gas sales revenue

- RMB185.1 billion, up 22.0% YoY

## All-in cost

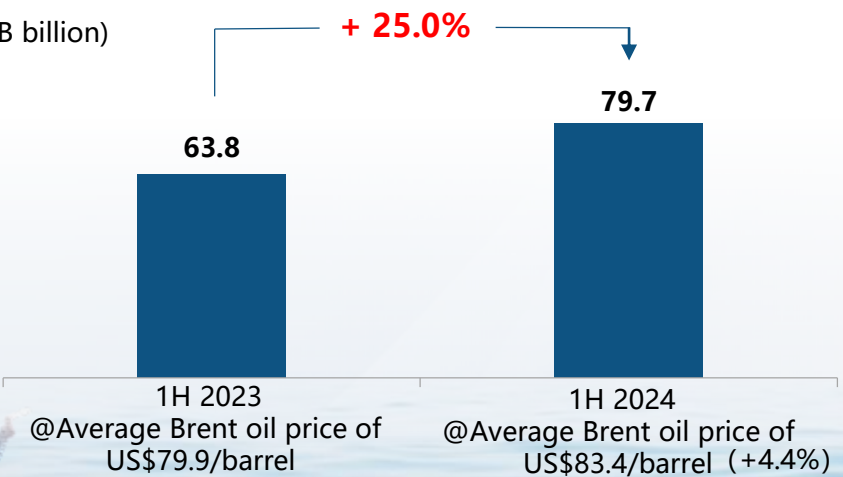
- 27.75 US\$ /boe, down 1.5% YoY

## Interim dividend

- 0.74 HK\$ per share (tax inclusive), up 25.4% YoY

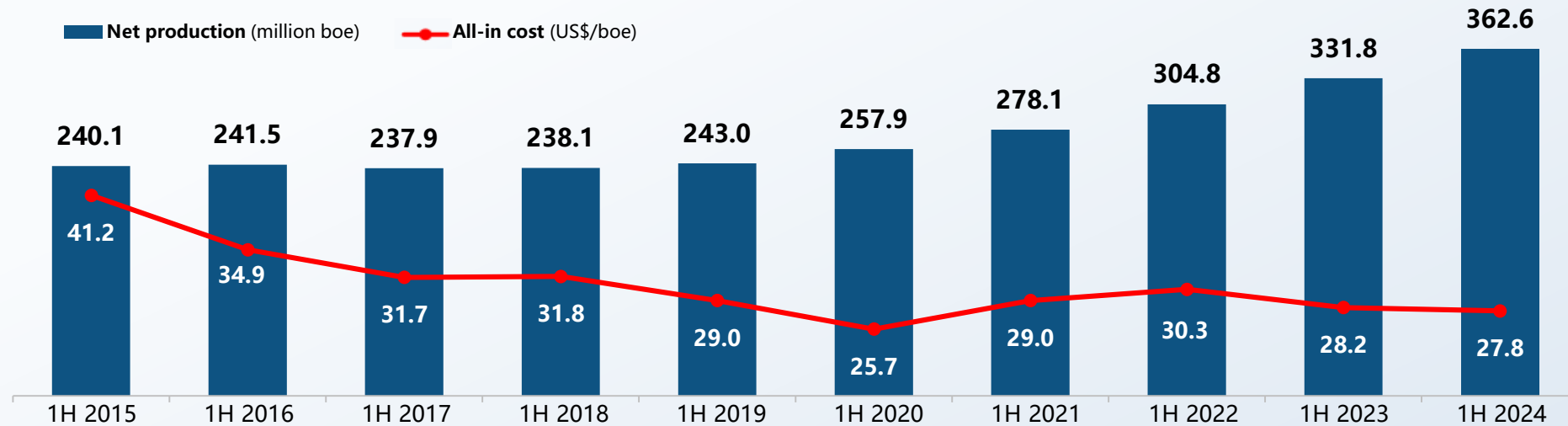
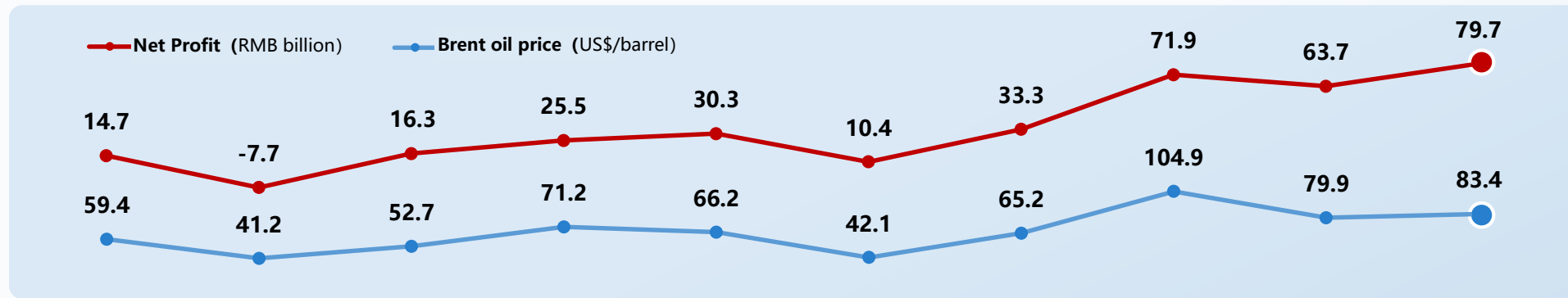
## Net profit attributable to equity shareholders

(RMB billion)





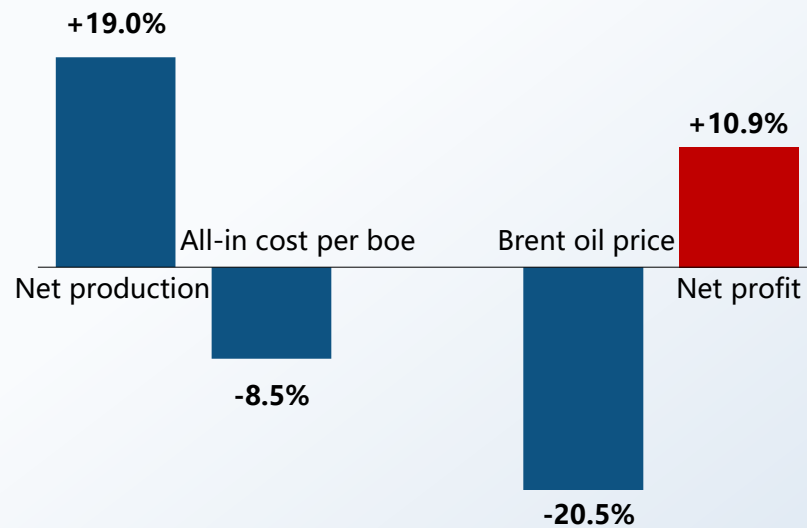
Maintaining strong value creation capability with the net profit hit a record high in the same period



# Profitability

- Profitability increased significantly. Compared to the same period in 2022, the net profit increased by 10.9% although Brent oil prices fell by 20.5%

## 1H 2024 vs. 1H 2022







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# Business Highlights

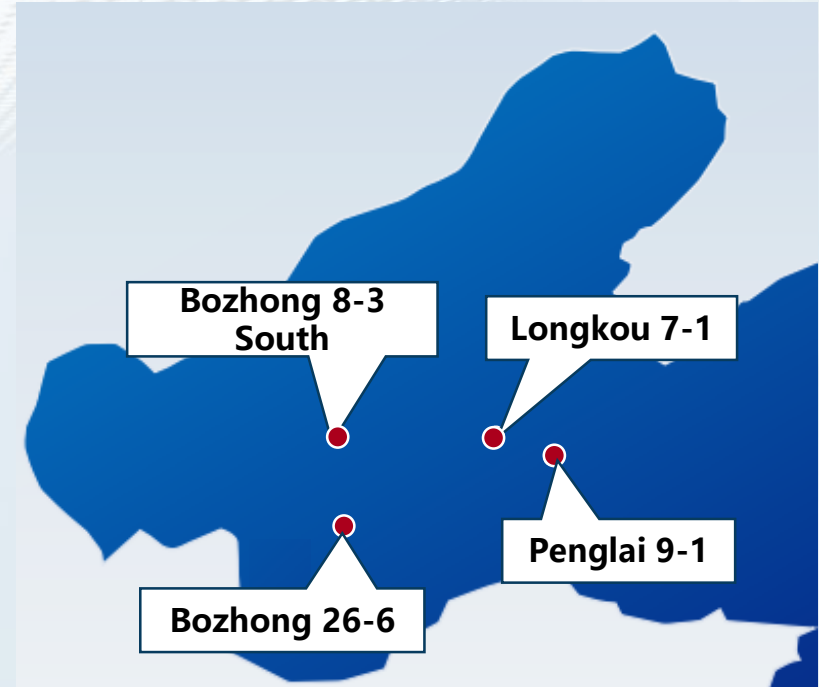
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## Innovation in theoretical and technological approaches for deep oil and gas exploration in the Bohai extensional-strike-slip fault composite fault zone

- **New discovery of Longkou 7-1:** tested gas production near one million cubic meters per day, setting a new record for tested gas production in Bohai
- **Successful appraisal of Bozhong 8-3 South:** drilling depth exceeded 5,000 meters, hitting a record high of tested production in ultra-deep play exploration
- Discovered **7 one-hundred-million-ton oil equivalent-class\* oilfields**, including Bozhong 26-6 and Penglai 9-1
- The exploration and development has expanded from shallow-play to deep and complex areas in Bohai, creating new growth drivers to increase reserves and production



*\*In-place oil and gas volume*





## Innovation in forming theory on ultra-shallow gas reservoir

- New discovery of Lingshui 36-1
  - Located in Lingnan low uplift of the Qiongdongnan Basin, with an average water depth of ~1,500 meters
  - The burial depth is 210 meters, with proved gas in-place volume of over 100 billion cubic meters
  - First discovery of ultra-deep water and ultra-shallow play in China

## Breakthrough in geological understanding of deep plays in Beibu Gulf Basin

- Successful appraisal of Wushi 16-5
  - Located in Wushi Sag of the Beibu Gulf Basin, with an average water depth of ~25 meters
  - Tested production over 1,000 cubic meters of oil equivalent per day, expected to become a medium-sized oilfield\*

*\*According to China's "Standard for Calculation of Offshore Oil and Natural Gas Reserves", the recoverable reserves of crude oil in medium-sized oil fields are  $\geq 2.5 \sim < 25$  million cubic meters, and the recoverable reserves of crude oil in large-sized oil fields are  $\geq 25 \sim < 250$  million cubic meters*



# South China Sea Trillion-cubic-meter Gas Region Realised



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1983

Discovered **Yacheng13-1**  
The first large gas field in South China Sea  
Revealing the rich resource potential of South China Sea

1992

Discovered **Dongfang1-1**  
The first independent offshore gas field of 100 billion cubic meters in China

2006

Discovered **Liwan3-1**  
The first deepwater gas field in China, showing the huge resource potential in deepwater offshore China

2014

Discovered **Lingshui17-2**  
The first independent deepwater gas field in China

2021

Discovered **Baodao21-1**  
The first deepwater and deep-play gas field in South China Sea

2024

Discovered **Lingshui36-1**  
The world's first offshore ultra-shallow gas field in ultra-deep water  
**Turning the South China Sea trillion-cubic-meters gas region into reality**



Lingshui 36-1

Proved in-place volume of 1,000,000,000,000 cubic meters

1983

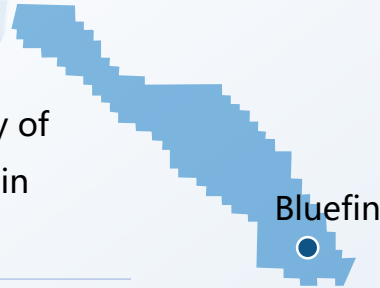
2024



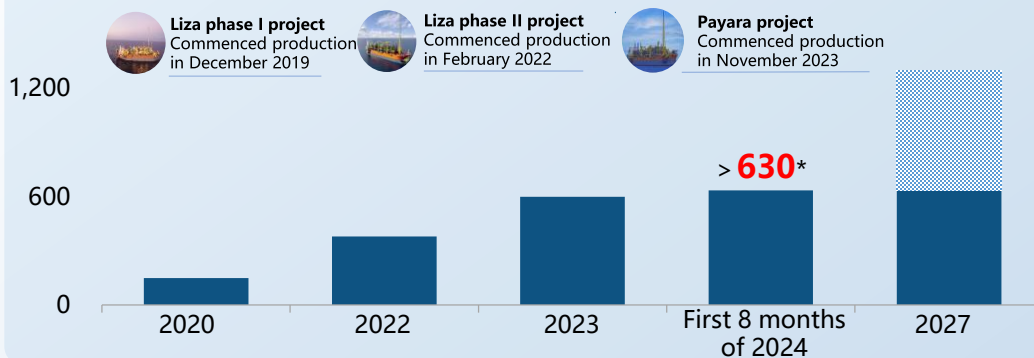
- Focus on countries on both sides of the Atlantic and along the Belt and Road

## Stabroek Block in Guyana

- Made a hundred-million-tons\* new discovery of Bluefin, further expanding the resource base in southeastern portion of the block
- Total recoverable resources of approximately 11 billion boe\*\*
- Application of the seventh development project has been submitted, with anticipated start-up in 2029\*\*



(kboe/day)



## Mozambique

- Signed petroleum exploration and production concession contracts for five blocks offshore Mozambique
- The total area is approximately 29,000 square kilometers, with water depths from 500 to 2,500 meters
- Owning the operating interests of the 5 blocks(70%-80%), with Empresa Nacional de Hidrocarbonetos as a partner



\*In-place oil and gas volume

\*\*Source: the operator

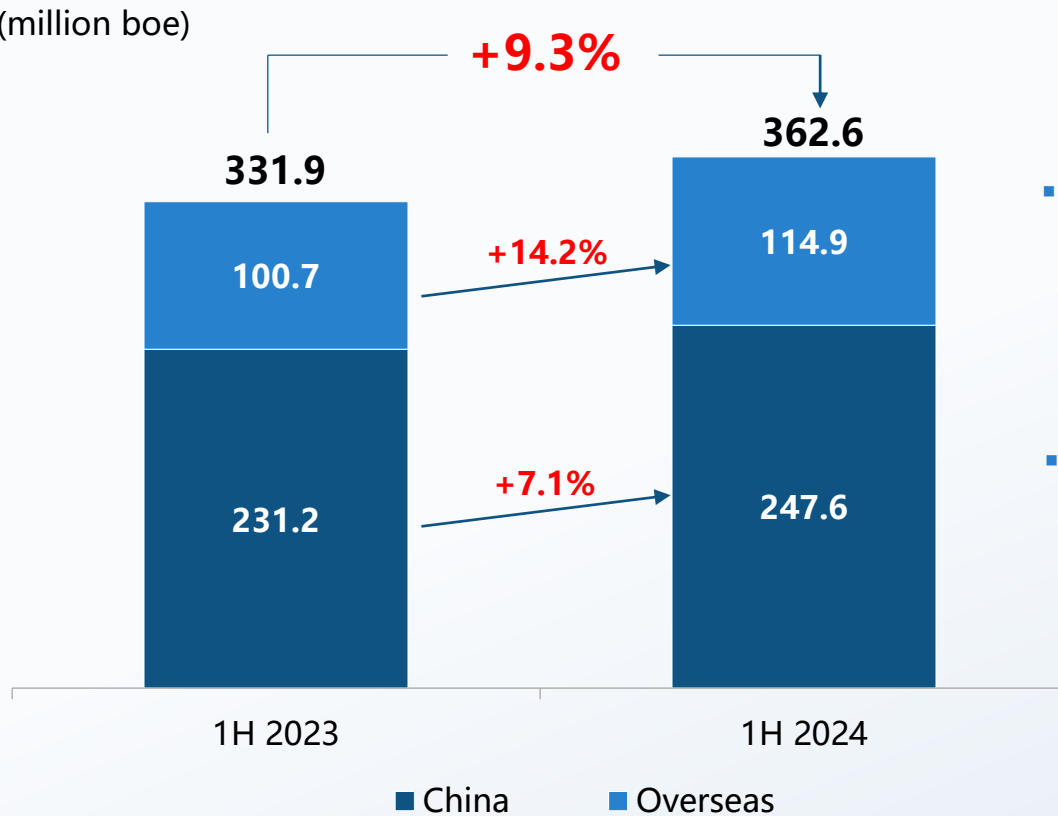


# Net Production



- Net production hit a record high in the same period, reaching 362.6 million boe, with strong growth in both China and overseas

(million boe)



- Overseas growth mainly driven by production from newly on-stream project Payara in Guyana
- Growth in China mainly attributable to increased production from oil and gas fields such as Kenli 6-1 and Bozhong 19-6





# Development and Production



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## Production from Producing Oil and Gas Fields

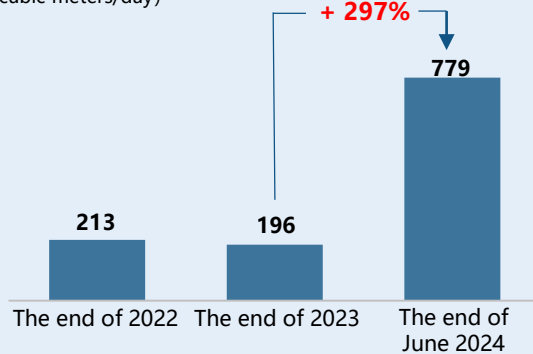
- Finely organized production, with the production uptime remained at the best level
- Finely described oil and gas reservoir, and further tap the potential of production
- Continued to optimise water injection plans to sustain crude production and control water cut
- Innovation in adjustment measures attributed to significant production growth



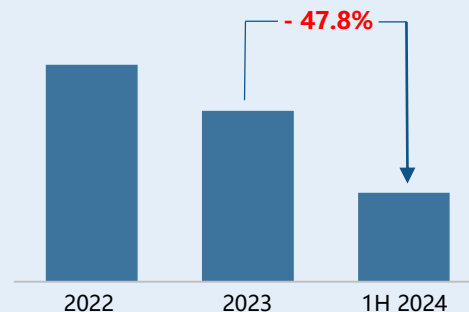
## Wenchang 8-3 Oilfield Main Area Adjustment Well Project Increased Production Effectively

### Daily production quadrupled

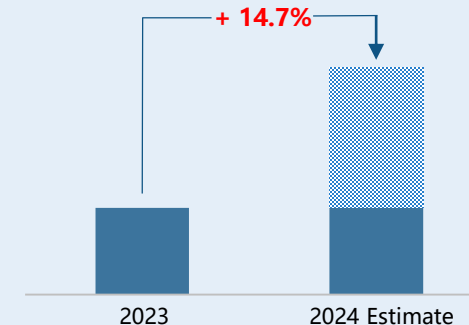
(cubic meters/day)



### Substantial reduction of opex per barrel



### Highest recovery ratio in history



# Major Projects in 2024



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## ■ New projects progressed well

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





# Key New Projects Commissioned



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## Bozhong 19-6 Project

- Benefited from progresses of Bohai exploration theory and technology in areas such as buried hill, the proved in-place volume of natural gas exceeded 360 million tons of oil equivalent
- The first large-scale, integrated condensate gas field with proved in-place volume of over 100 billion cubic meters in Bohai
- Three projects have come on stream, with production of nearly 40 thousand boe per day and cumulative production of natural gas exceeded 1 billion cubic meters
  - In 2020, the pilot area project commenced production
  - In 2023, Bozhong 19-6 condensate gas field phase I development project commenced production
  - In 2024, Bozhong 19-6 gas field 13-2 block 5 well site development project commenced production
  - Bozhong 19-6 condensate gas field phase II development project is in progressing



# Key New Projects Commissioned



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

- Production commenced in April 2024, with peak production expected to reach 30,300 boe per day in 2025
- Open a new era of second comprehensive adjustment of large-sized old oilfields
- Relying on onshore power supply to consume green electricity generated onshore

## Wushi 23-5 Oilfields Development Project

- Production commenced in July 2024, with peak production expected to reach 18,100 boe per day in 2026
- The first comprehensive green-design oilfield offshore China
  - The first oilfield in the South China Sea supplied with power from shore
  - Efficient and comprehensive utilization of associated gas
- Drilling efficiency enhanced by 30% through applying the "new, excellent and fast" model



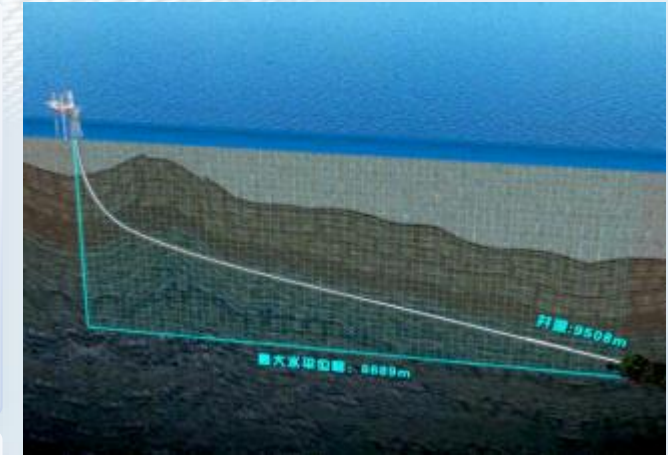


## Successful drilling of China's first offshore ultra-deep extended reach well

- Setting records for China's deepest offshore drilling well and horizontal length in Enping 21-4 oilfield, facilitating the development of oil and gas resources within 10,000 meters of offshore platforms in the future
- Reduced investment costs by 40-50%, significantly improved the efficiency of oil and gas field development.

## Successfully developed key technologies for deepwater jacket platform and cylindrical FPSO

- Innovatively developed the "deepwater jacket platform + cylindrical FPSO" model, providing a new solution for the efficient development of deepwater oil and gas fields in Chinese waters
- Cylindrical FPSOs are better suited to deepwater environments, with advantages such as smaller size, compact space, significantly higher oil storage efficiency





## Promoting the integrated development of offshore oil and gas and new energy sectors

- Ningbo natural gas terminal PV project fully commissioned , company-wide PV coverage of Onshore Terminals reached 82%
- The world's first 5-megawatt offshore high-temperature flue gas waste heat power generation plant was completed, which is expected to save natural gas consumption of about 300 million cubic meters and reduce carbon dioxide emissions by about 800,000 tons over 20 years of operation
- Suizhong-Jinzhou onshore power project was put into operation, making the completion of the world's largest onshore power application base for offshore oilfields
- 8 flare gas recovery projects were put into operation. Offshore oil and gas fields have completed full recovery and utilization of flare gas with a capacity of over 50,000 cubic meters per day. The recovery and utilization of flare gas with a capacity of over 10,000 cubic per day are being promoted
- Continuously strengthened energy replacement by using more than 400 million kWh of green electricity





# Key Operating Indicators



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	1H 2024	1H 2023	Change%
<b>Net production (mm boe)</b>	362.6	331.8	9.3%
- <b>Crude and liquids (mm bbls)</b>	283.4	260.4	8.8%
- <b>Natural gas (bcf)</b>	461.0	415.5	10.9%
<b>Realized oil price (US\$/bbl)</b>	80.32	73.57	9.2%
<b>Realized gas price (US\$/mcf)</b>	7.79	8.12	-4.1%
<b>Oil &amp; gas sales (RMB mm)</b>	185,112	151,686	22.0%
<b>Net profit attributable to equity shareholders (RMB mm)</b>	79,731	63,761	25.0%
<b>Basic EPS (RMB)</b>	1.68	1.34	25.0%

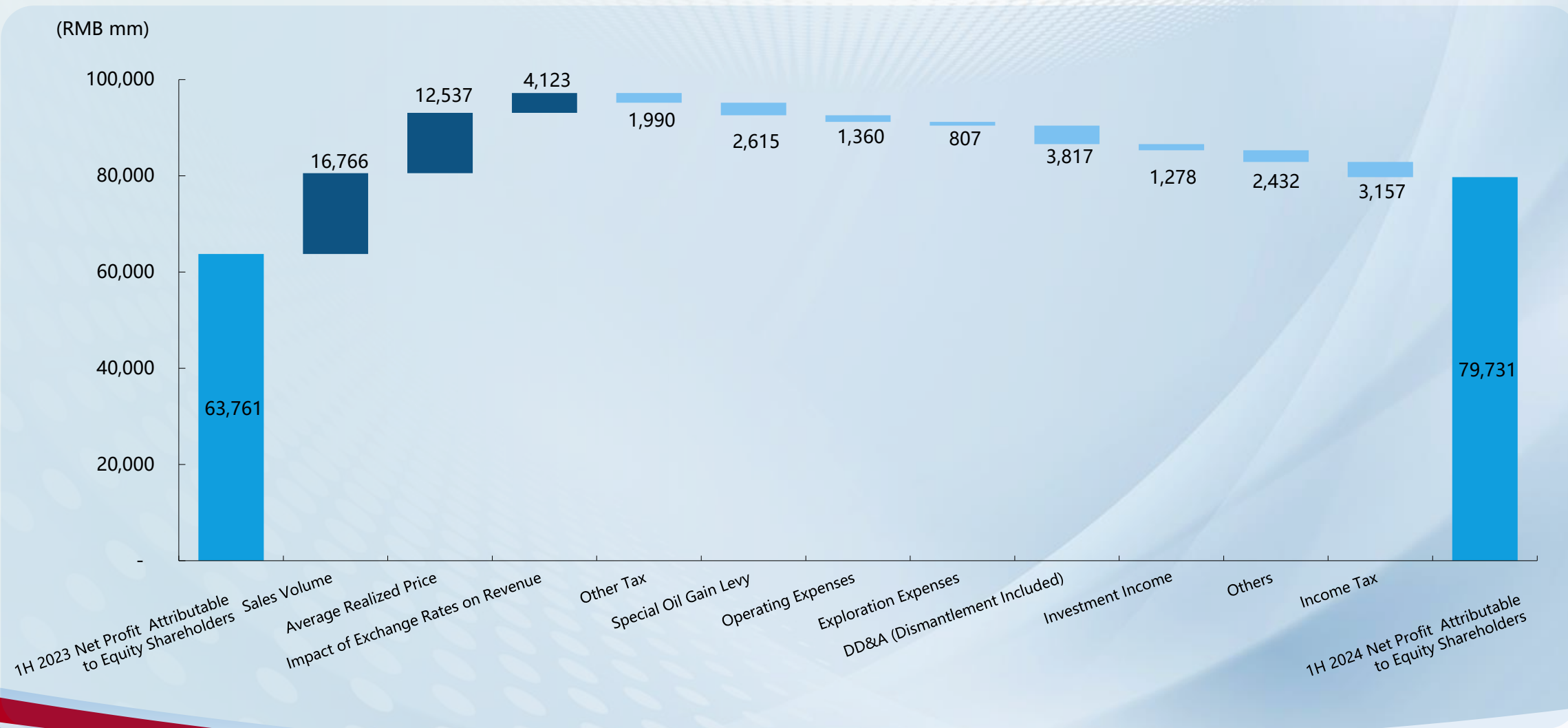


# Change Analysis of Net Profit Attributable to Equity Shareholders



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- Net profit attributable to equity shareholders hit a record high of RMB79.7 bn for the same period



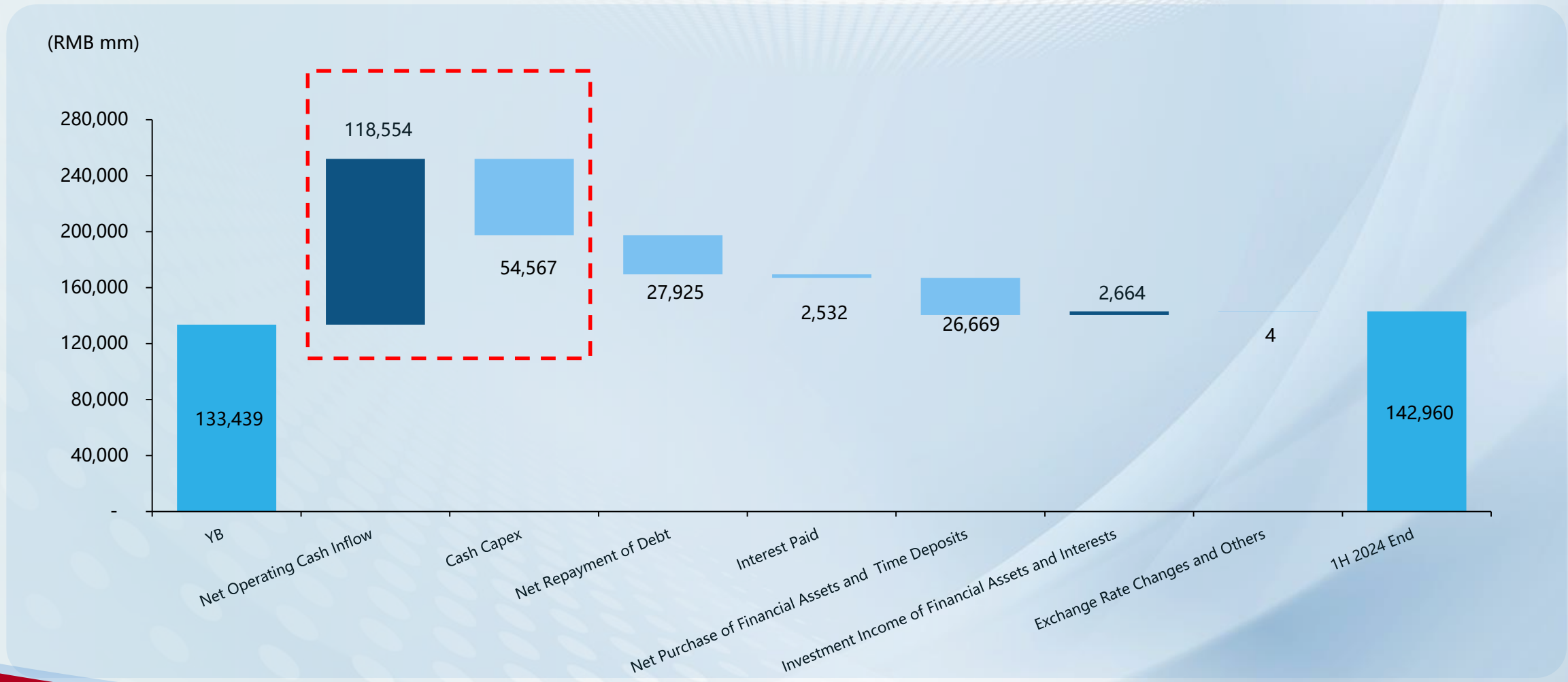




# Movement of Cash and Cash Equivalents



- Sufficient free cash flow of RMB63.99 bn



# Movements of Financial Position



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(RMB bn)	June 30, 2024	Dec 31, 2023
Cash, cash equivalent and time deposits with maturity of three months to one year	186.4	150.6
Other Current Assets	110.8	99.7
<b>Non-current Assets</b>	<b>778.2</b>	<b>755.3</b>
<b>Other Liabilities</b>	<b>261.4</b>	<b>217.5</b>
<b>Interest bearing debt</b>	<b>93.1</b>	<b>120.2</b>
<b>Equity</b>	<b>720.9</b>	<b>667.9</b>

- **Equity increased by RMB53.0 bn against year beginning**
  - Net profit attributable to equity shareholders of RMB79.7 bn
  - Declaration of dividend of RMB28.6 bn
- **Gearing ratio\* decreased to 11.4%**

	June 30, 2024	Dec 31, 2023
<b>Total Assets (RMB bn)</b>	1,075.4	1,005.6
<b>Gearing Ratio*</b>	11.4%	15.2%

\* Gearing Ratio = Interest Bearing Debt / (Interest Bearing Debt + Equity)

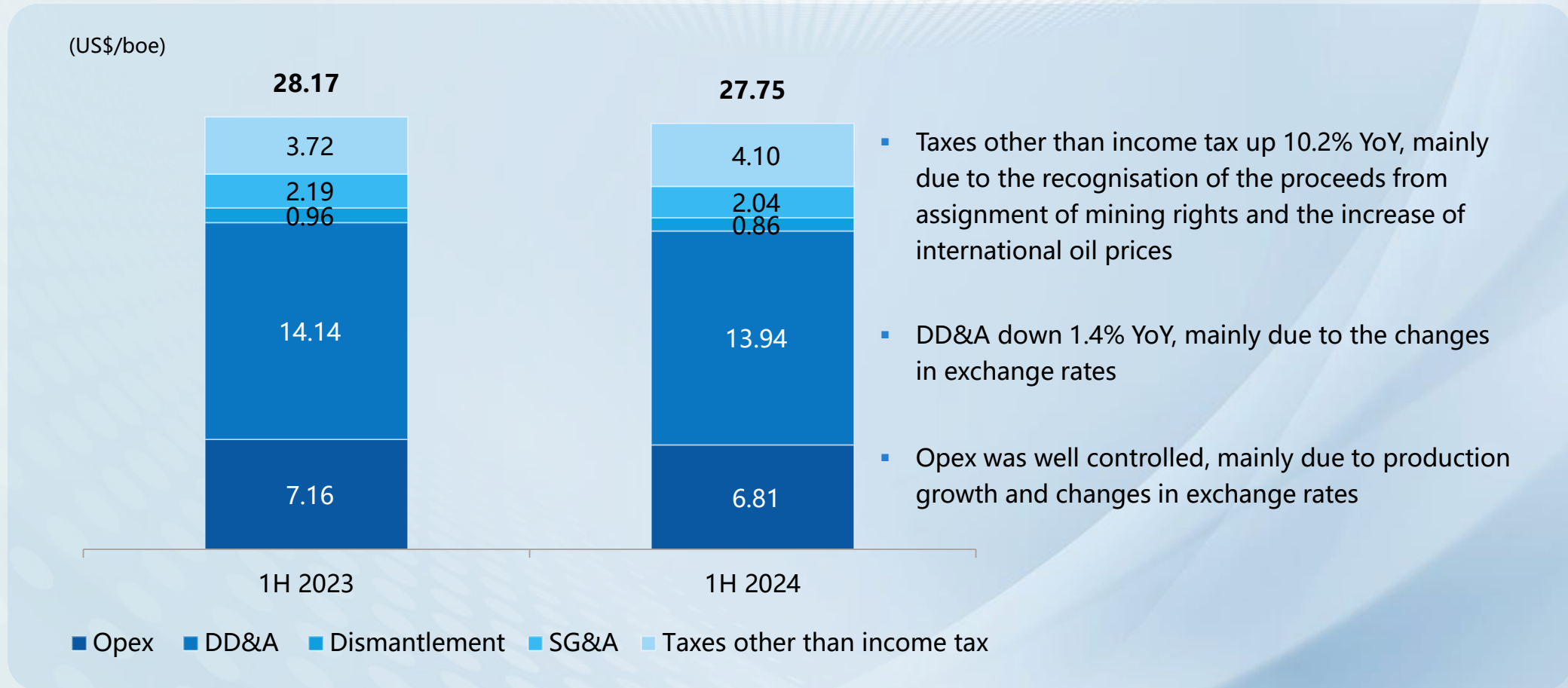




# All-in cost



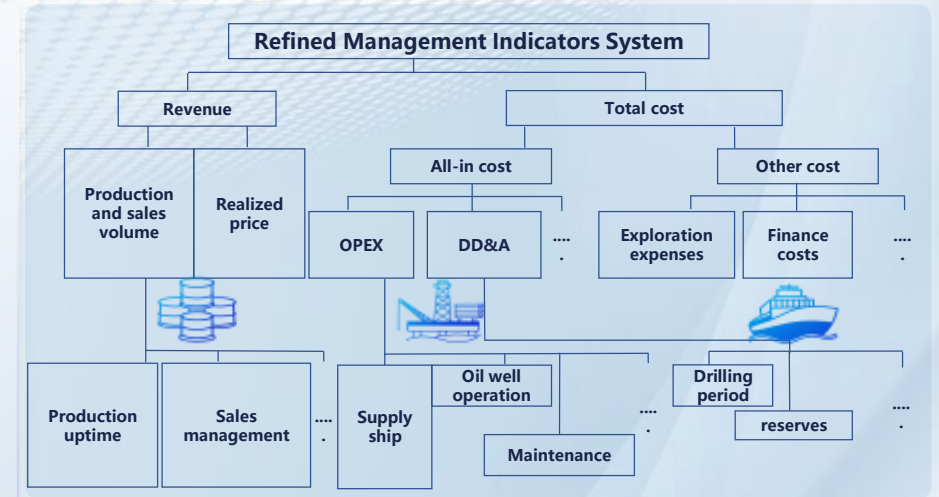
- All-in cost per boe was well controlled with a decrease of 1.5% YoY





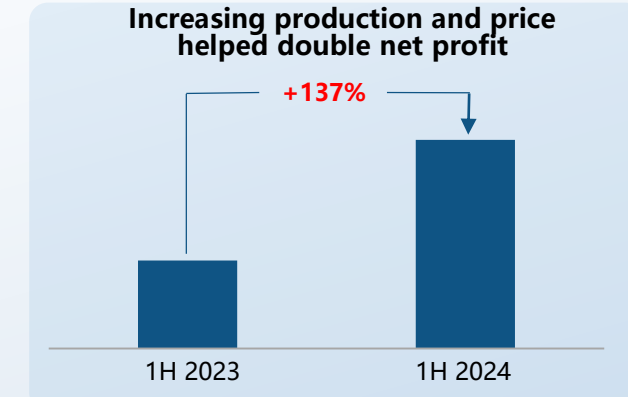
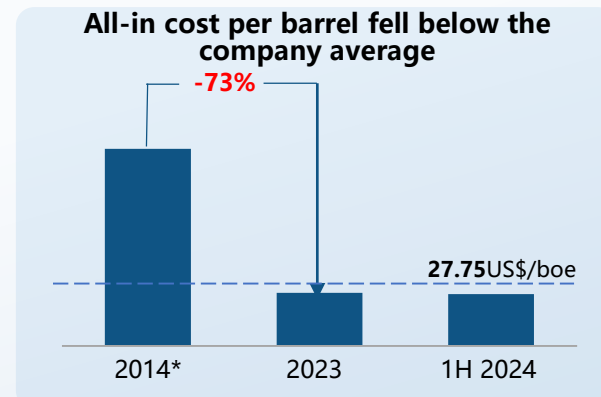
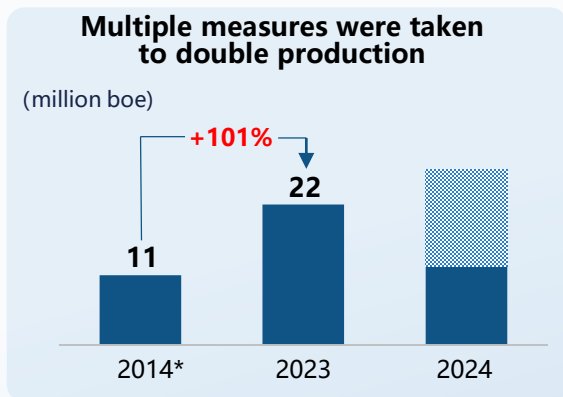
## Comprehensive Cost Control system

- Adhere to value-driven exploration, realizing cost control at source
- Investment decisions adhere to oil price of \$35 per barrel stress test to improve risk resistance
- Optimize resource allocation to improve production structure
- Promote speed and efficiency, by engineering standardization and "new, excellent and fast" drilling and completion
- Promote digital intelligence to support the lean indicator system, and further improve the cost control



## Long Lake Project in Canada has achieved remarkable results in cost control and efficiency enhancement

- Our value-driven management concept guided overseas development, and TMX operation pushed up the realised oil price to further support our profitability, converting underground resources into cash flow effectively



\*Production and cost information for 2014 includes synthetic oils and bitumen

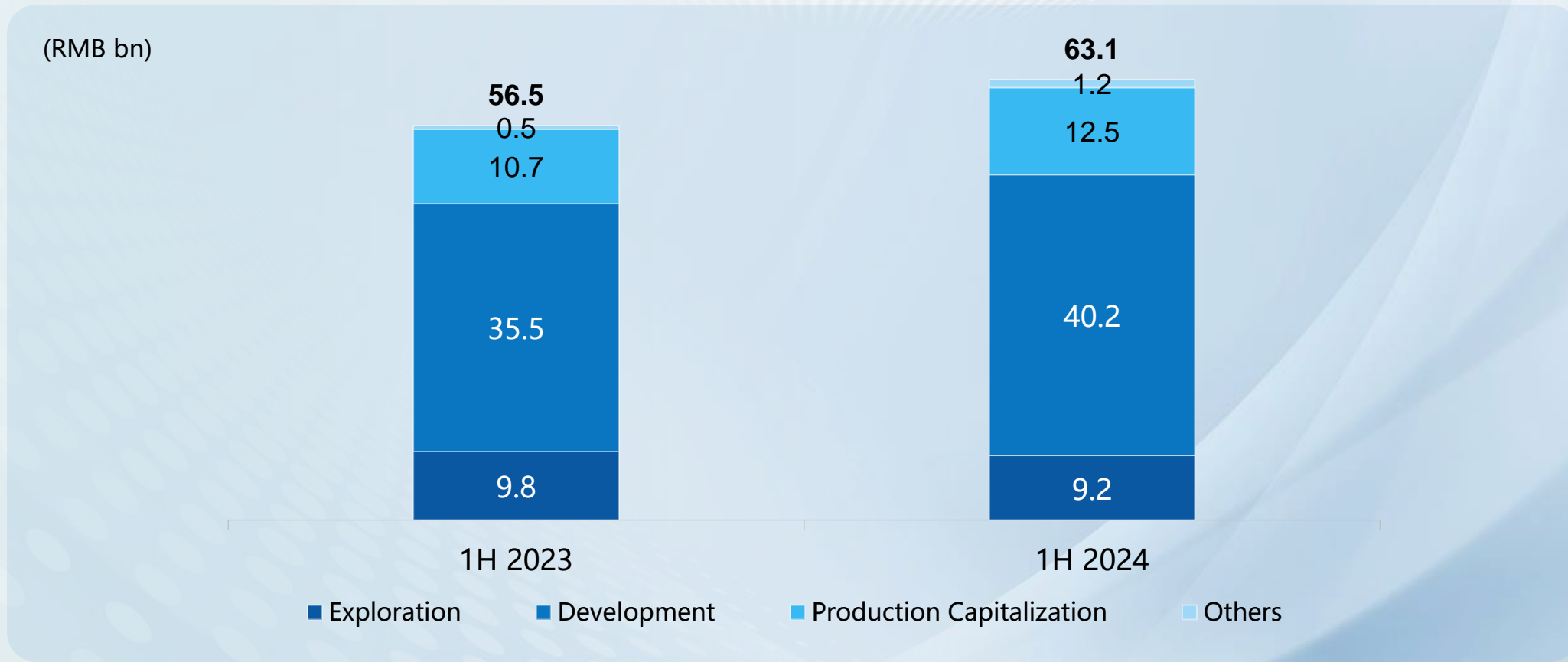




# Capital Expenditure



- 47%-51% of annual budget spent in the first half of 2024 , increased by 11.7% YOY, mainly due to the increase in workload of projects under construction



# Shareholders' Return



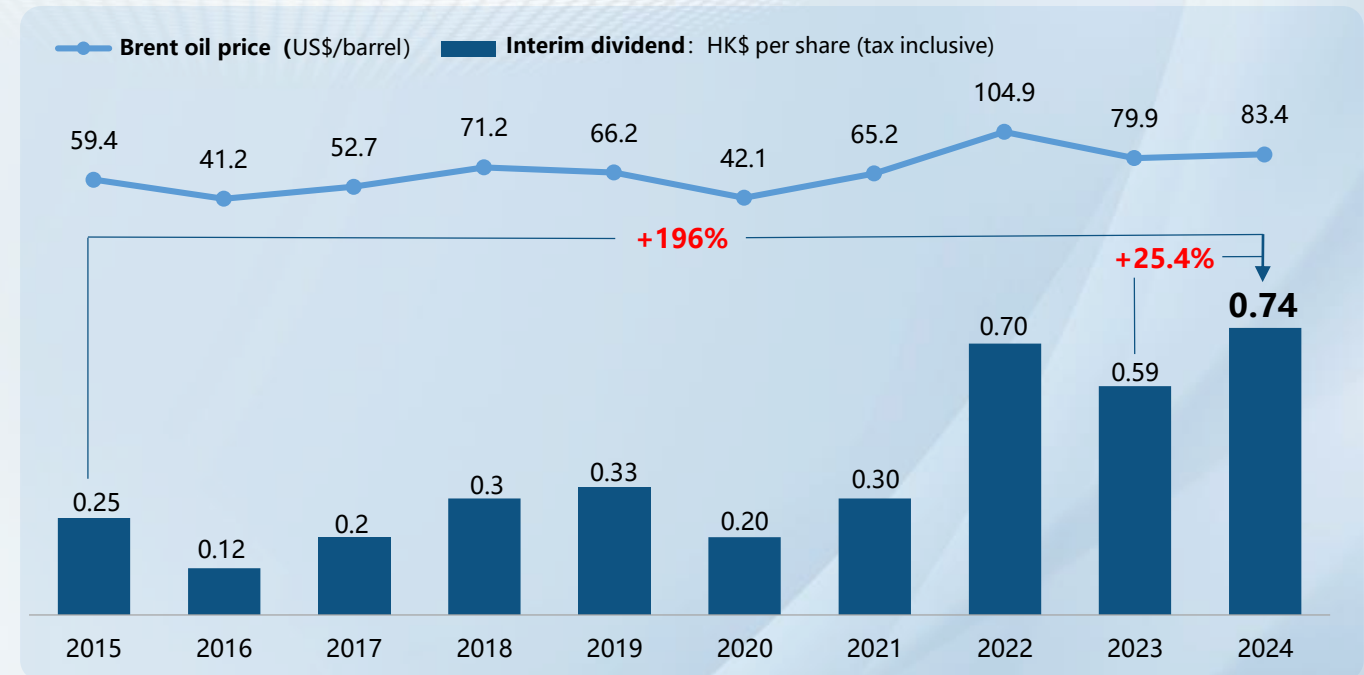
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## Actively share development results

- 2024 interim dividend: HK\$0.74 per share (tax inclusive), hitting a record high for the same period
- 2024 interim dividend payout ratio of 40.3%\*
- The interim dividend per share up 25.4% YoY and tripled from 2015 interim

## Hong Kong stock buyback

- In July, 16.366 million Hong Kong shares were repurchased and cancelled



\*Exchange rate quoted HK\$1 = RMB0.91336 as of July 31, 2024



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# Outlook

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# 2024 Business Strategy and Targets



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## Future Operating Strategy

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

## 2024 Operation Targets

- Actively and prudently respond to uncertainties and potential risks, and press ahead with operation to reach annual targets

Reserve  
Replacement Ratio

- No less than **130%**

Capex Budget

- RMB125 – 135 billion

Production Target

- **700-720** mm boe

HSE

- Sound HSE performance







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# Thanks!







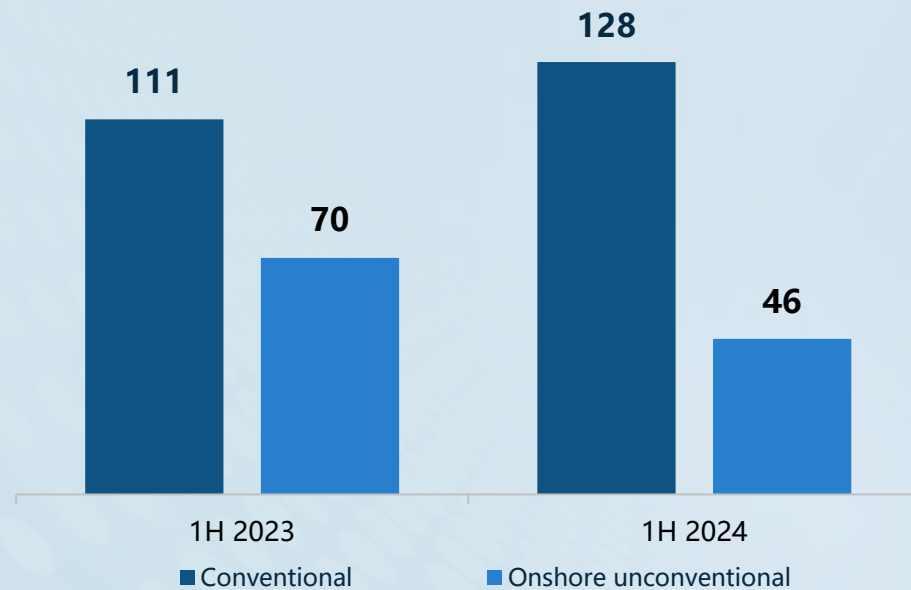
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# Appendix





### Exploration wells



### Exploration Workload in 1H 2024

Type	Offshore China	Onshore China	Overseas
Exploration wells	122	46	6
3D Seismic (km <sup>2</sup> )	4,755	0	0

# Production Summary



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	1H 2024			1H 2023		
	Crude and Liquids (mm bbls)	Natural Gas (bcf)	Total (mm boe)	Crude and Liquids (mm bbls)	Natural Gas (bcf)	Total (mm boe)
<b>China</b>						
Bohai	110.7	38.8	117.2	102.3	34.3	108.0
Western South China Sea	18.7	126.6	40.7	19.4	123.2	40.8
Eastern South China Sea	58.6	78.6	71.6	56.5	72.1	68.5
East China Sea	1.5	38.5	7.9	1.1	26.7	5.5
Onshore	0.03	61.1	10.2	0.02	49.8	8.3
Subtotal	<b>189.5</b>	<b>343.6</b>	<b>247.6</b>	<b>179.3</b>	<b>306.0</b>	<b>231.2</b>
<b>Overseas</b>						
Asia (Ex. China)	10.8	39.7	17.9	10.9	32.1	16.7
Oceania	1.0	29.1	6.6	0.9	26.1	6.0
Africa	9.1	2.8	9.6	8.0	3.4	8.6
North America (Ex. Canada)	9.9	16.3	12.6	9.8	19.6	13.0
Canada	16.6	-	16.6	15.0	-	15.0
South America	42.0	28.9	46.9	30.6	27.6	35.4
Europe	4.6	0.5	4.6	5.8	0.6	5.9
Subtotal	<b>93.9</b>	<b>117.4</b>	<b>114.9</b>	<b>81.1</b>	<b>109.4</b>	<b>100.7</b>
<b>Total*</b>	<b>283.4</b>	<b>461.0</b>	<b>362.6</b>	<b>260.4</b>	<b>415.5</b>	<b>331.8</b>

\* Including our interests in equity-accounted investees, which is approximately 10.0mm boe in 1H 2024 and 10.2 mm boe in 1H 2023.  
In 1H 2024, production from China and overseas was 68.3% v.s. 31.7%; Crude liquids and natural gas was 78.2% v.s. 21.8%

# Key Financial Items - Consolidated



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(RMB mm)	1H 2024	1H 2023	Change%
<b>Revenue</b>			
Oil and gas sales	185,112	151,686	22.0%
Marketing revenues	36,629	35,564	3.0%
Other revenue	5,029	4,814	4.5%
<b>Revenue subtotal</b>	<b>226,770</b>	<b>192,064</b>	<b>18.1%</b>
<b>Expenses</b>			
Operating expenses	(17,463)	(16,103)	8.4%
Taxes other than income tax	(10,359)	(8,369)	23.8%
Exploration expenses	(4,708)	(3,901)	20.7%
DD&A	(37,555)	(33,738)	11.3%
Special oil gain levy	(5,667)	(3,052)	85.7%
Impairment and provision, net	(2)	(302)	-99.3%
Expected credit (losses)/reservals	(32)	2	-1700.0%
Crude oil and product purchases	(33,762)	(32,626)	3.5%
SG&A	(5,221)	(4,990)	4.6%
Others	(6,459)	(4,712)	37.1%
<b>Expenses subtotal</b>	<b>(121,228)</b>	<b>(107,791)</b>	<b>12.5%</b>
<b>Profit from Operating Activities</b>	<b>105,542</b>	<b>84,273</b>	<b>25.2%</b>
Interest income	2,597	2,300	12.9%
Finance costs	(3,328)	(2,800)	18.9%
Exchange losses, net	(538)	(294)	83.0%
Investment income	700	1,978	-64.6%
Share of profits of associates	402	423	-5.0%
Profits attributable to a joint venture	160	424	-62.3%
Other income, net	241	318	-24.2%
<b>Profit before tax</b>	<b>105,776</b>	<b>86,622</b>	<b>22.1%</b>
Income tax expense	(26,031)	(22,874)	13.8%
<b>Net profit</b>	<b>79,745</b>	<b>63,748</b>	<b>25.1%</b>
Net profit attributable to non-controlling interests*	14	(13)	-207.7%
Net profit attributable to equity shareholders of the Company*	<b>79,731</b>	<b>63,761</b>	<b>25.0%</b>

*The "net profit attributable to non-controlling interests" in the table has no difference with the "minority interests" under Chinese Accounting Standards; the "net profit attributable to shareholders of the Company" has no difference with the "net profit attributable to shareholders of the parent company" under Chinese Accounting Standards*