



**CNOOC LIMITED**  
**中国海洋石油有限公司**

**2007 Strategy Preview**

**January 30, 2007**



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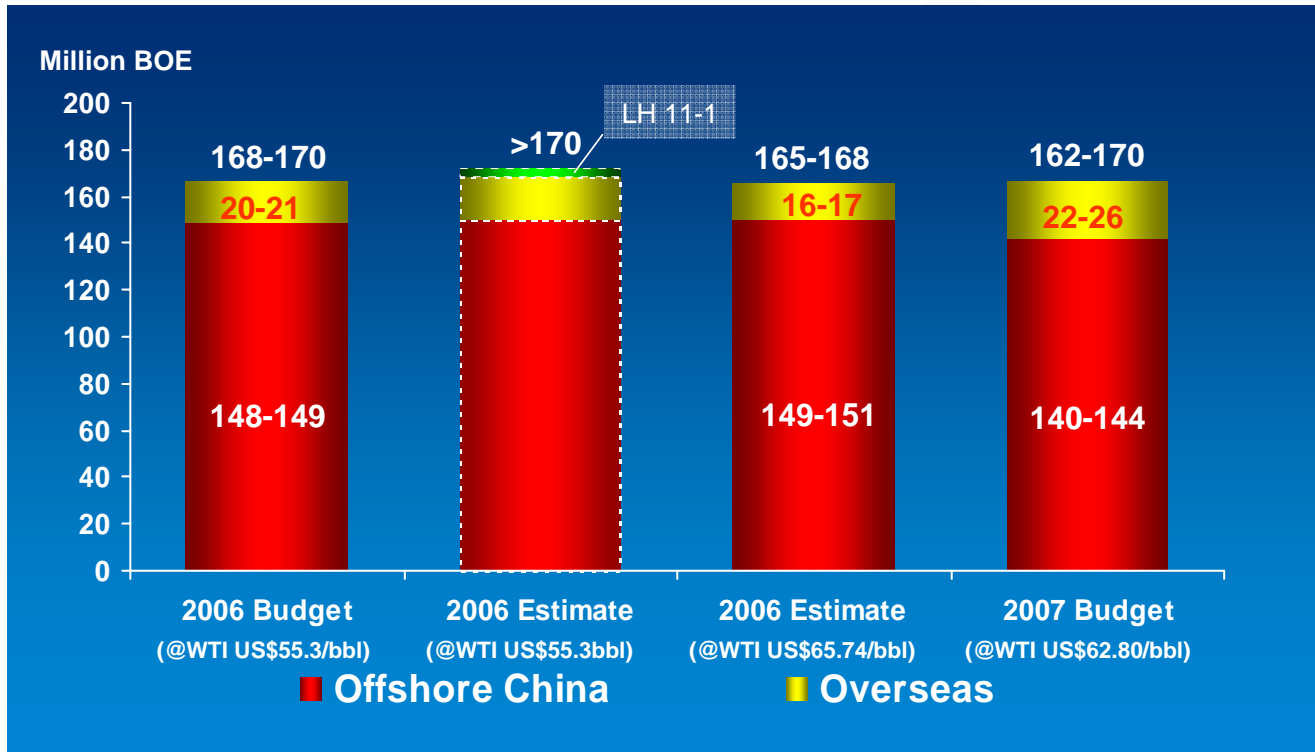


# 2007 Highlights

- **Production target at 162-170 mmboe**
  - 5 development projects scheduled on stream
  - Robust development pipeline with 10+ projects underway
- **Exploration program focused, balanced and diversified**
  - 54+ exploration wells (41+ in offshore China)
  - 24,000+ km 2D and 4,900+ km<sup>2</sup> 3D seismic
- **Focused and disciplined capital expenditure for future growth**
  - 20+ organic projects to come on stream in the coming years



# 2007 Production Target



**2007 company overall production will be flat at 162-170 mmboe under WTI price of US\$62.80.**



# Uncertainties in Production Volume

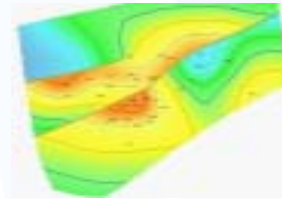
## Execution risk

- Short supply of services
- Hazardous weather



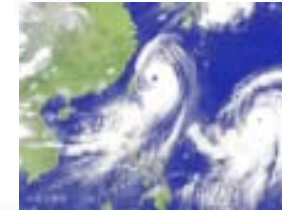
## Geological risk

- Uncertainty of subsurface reserve distribution
- Uncertainty of productivity



## Typhoons

- Production shut-in during evacuation



## Oil price

- Net entitlement linked to oil price

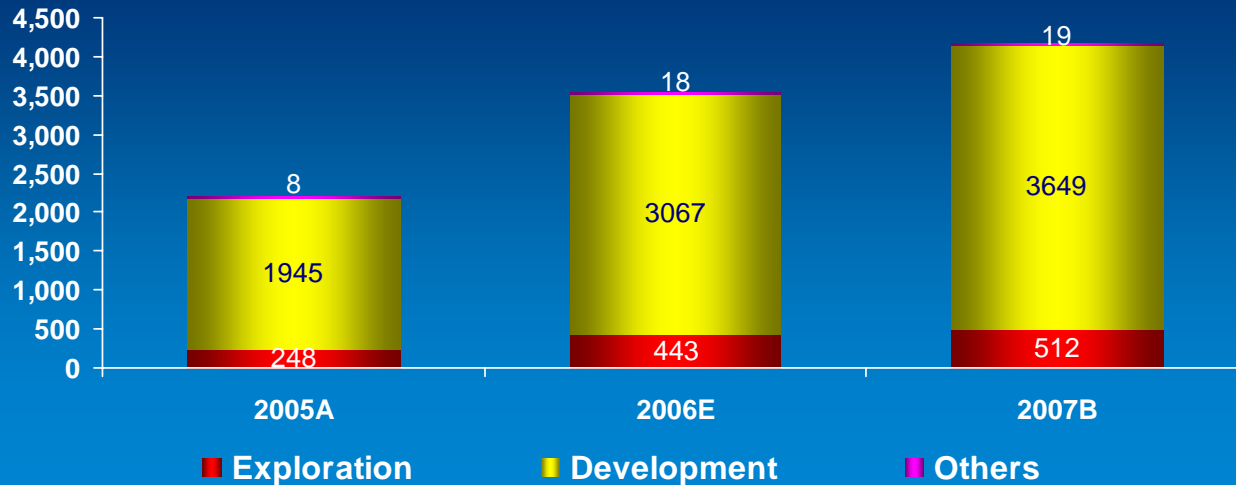




# 2007 Capital Expenditure Estimates

## Capital Expenditure

(US\$ MM)



Over 20 projects to come on stream in the coming years



# Development Projects Underway

**Production target:  
162-170 million BOE**

## 2007

- 1 PL19-3 II Platform C
- 2 WZ11-1
- 3 JZ21-1
- 4 HZ25-4
- 5 SES Gas II, Indonesia

**Production target:  
190+ million BOE**

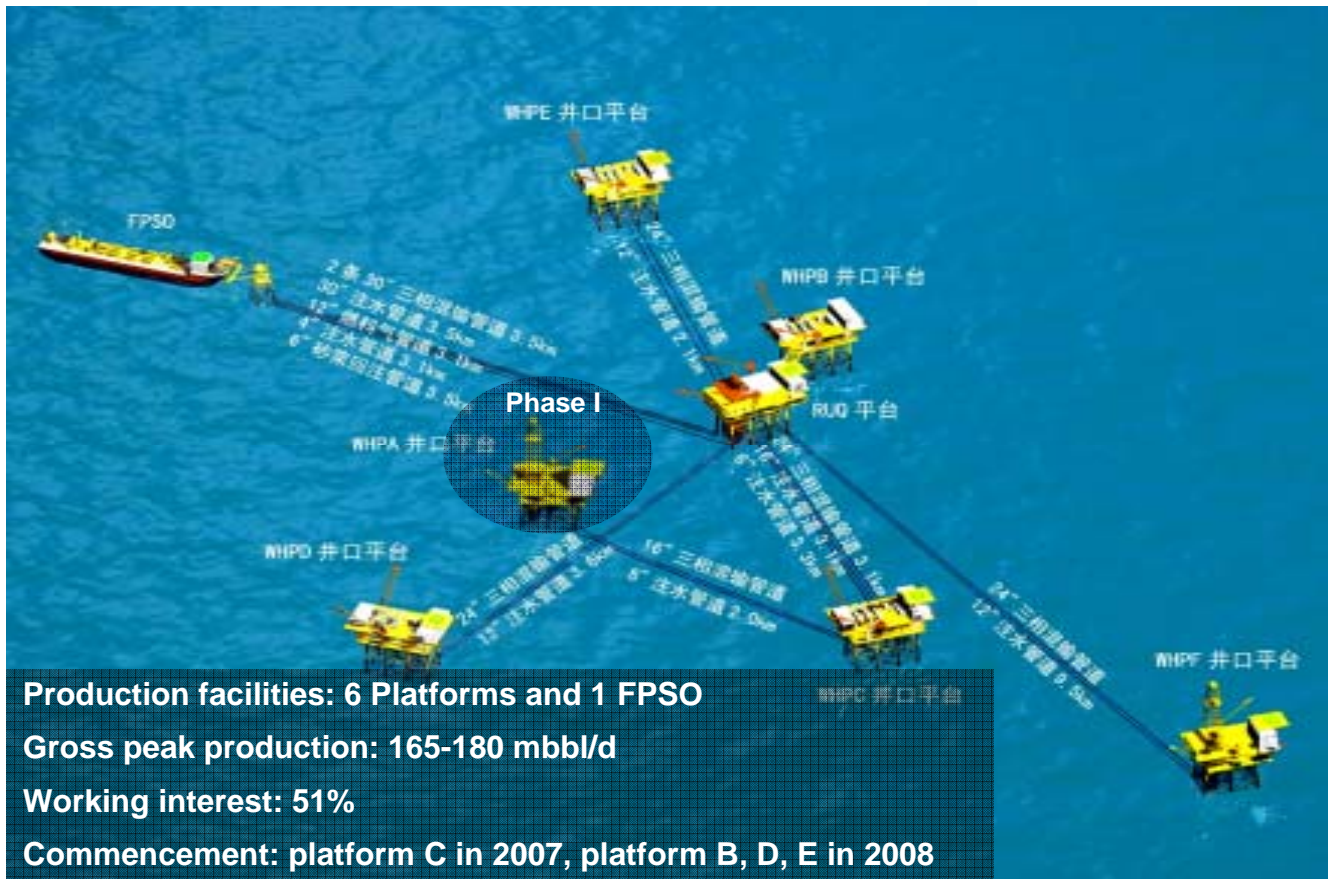
## 2008

- 1 PL19-3 II Platform B, D, E
- 2 BZ34-1
- 3 BoNan II(BZ13-1/BZ26-2N)
- 4 HZ25-3
- 5 XJ23-1
- 6 Wenchang oil fields
- 7 WZ11-4N
- 8 Ledong15-1/22-1(Gas)
- 9 Tangguh, Indonesia
- 10 OML130, Nigeria

**Robust development pipeline to deliver strong but not necessarily  
non-linear production growth**



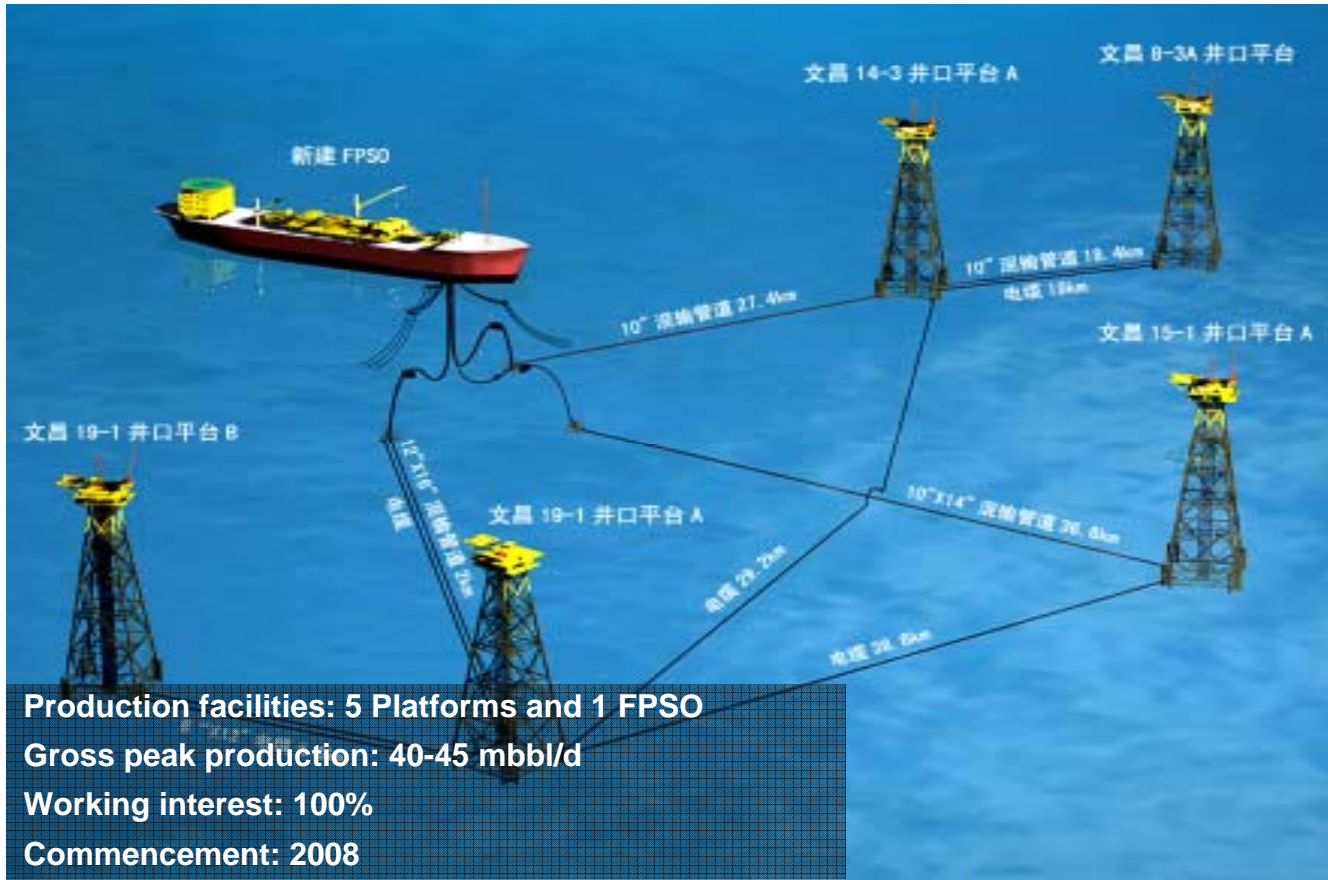
# PL19-3 Phase II





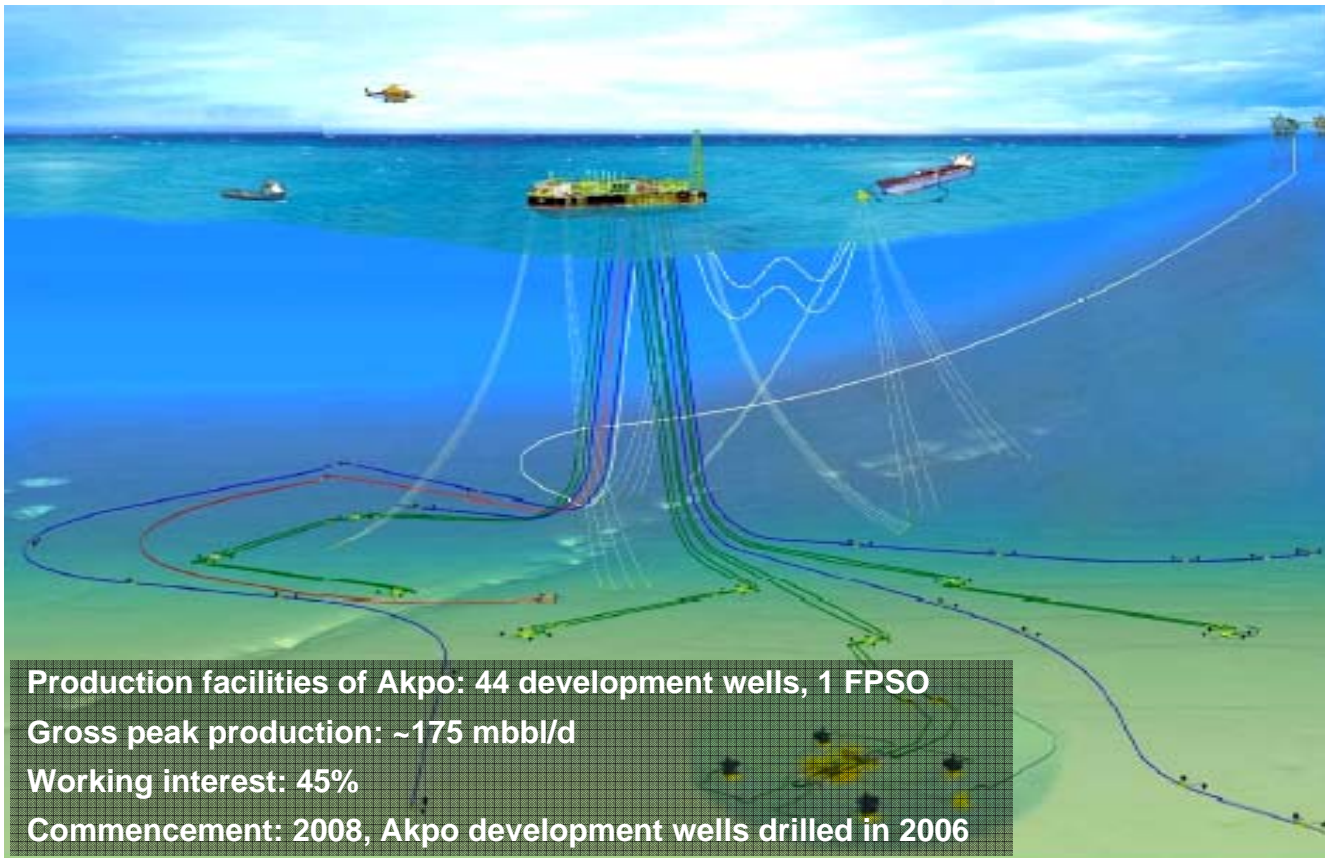


# Wenchang Oil Fields



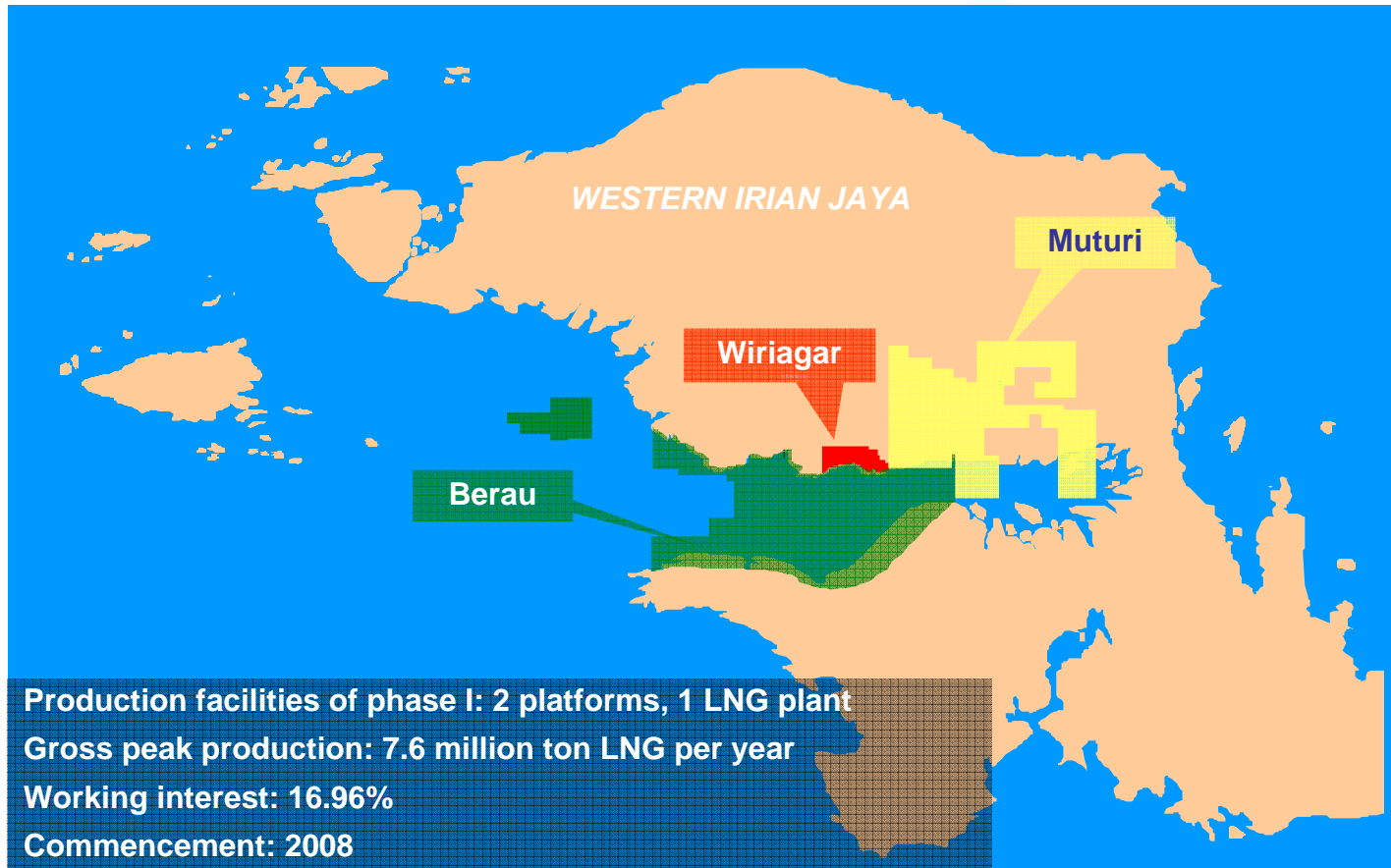


# OML 130 (Nigeria)



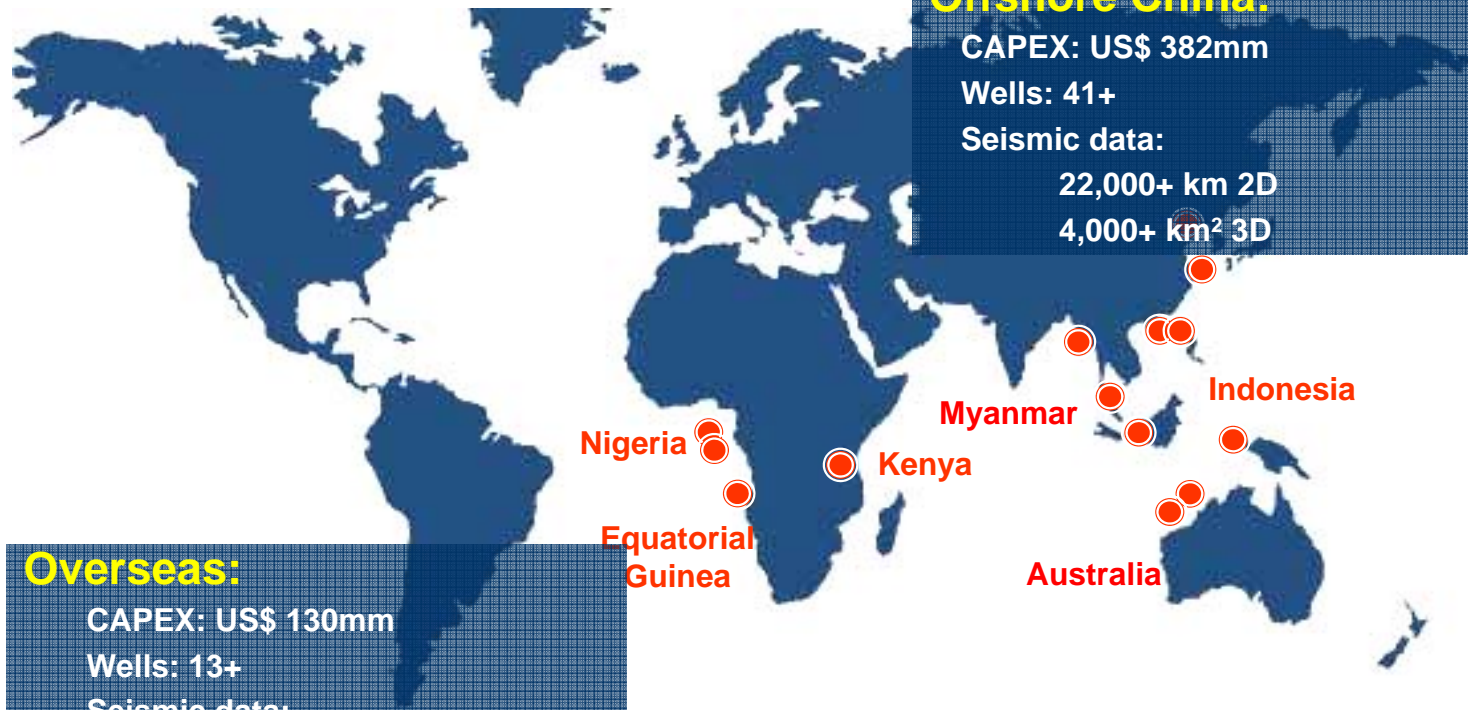


# Tanggung Project (Indonesia)





## Focused, Balanced and Diversified Exploration Program



### Offshore China:

CAPEX: US\$ 382mm

Wells: 41+

Seismic data:

22,000+ km 2D

4,000+ km<sup>2</sup> 3D

### Overseas:

CAPEX: US\$ 130mm

Wells: 13+

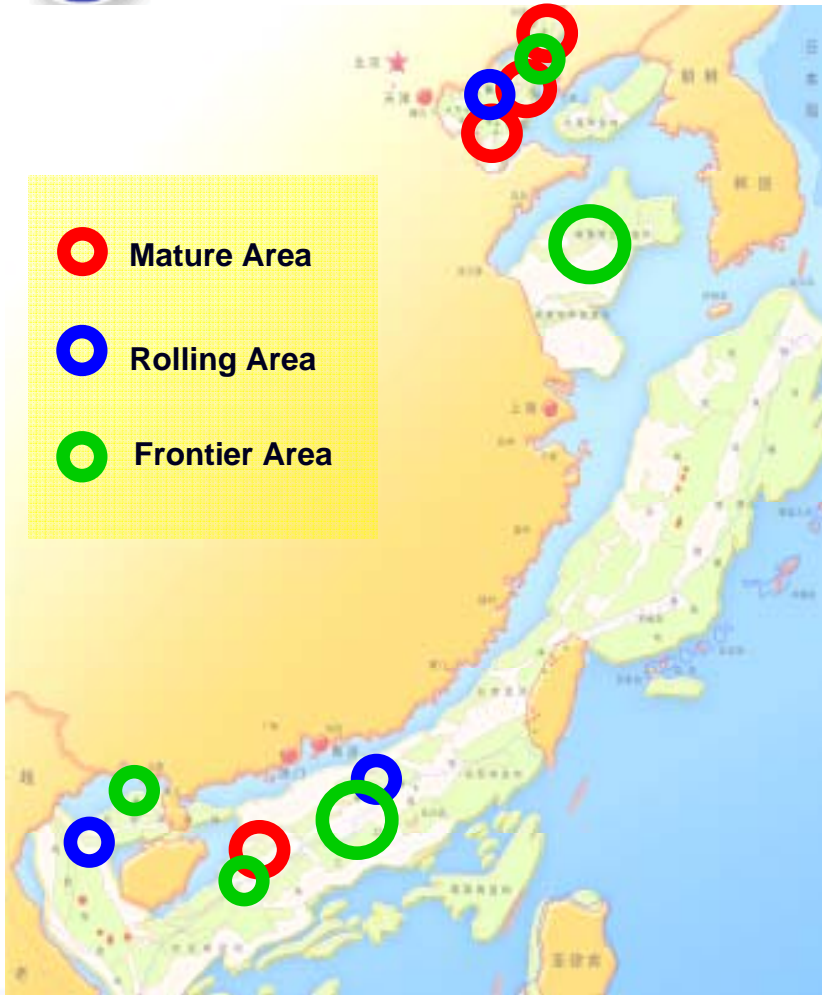
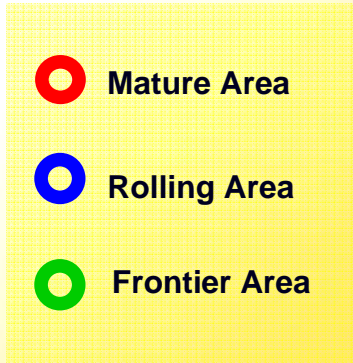
Seismic data:

2,500+ km 2D

600+ km<sup>2</sup> 3D



# Persistently Focused on Core Areas



## Mature exploration areas

- Liaodong Bay Structure Belt
- Luda 22/27 Structure Belt
- Yellow River Mouth Sag
- Wenchang-A Sag

## Rolling exploration areas

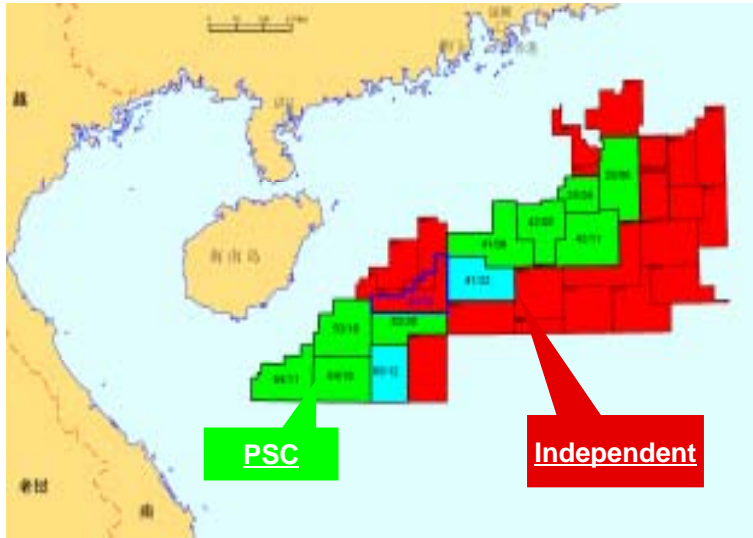
- Bohai bay
- Panyu oilfields adjacent area
- Southwest Weizhou oilfields adjacent area

## Frontier areas

- Liaodong Bay
- Laizhou Bay and Qingdong Sag
- Southern Yellow Sea
- Zhujiang Mouth Basin
- North Slope of Wenchang-A Sag – Yangjiang Lower Hunch
- Haizhong Sag & Qixi Hunch



# Deepwater Exploration



6,000 km 2D seismic data will be acquired by CNOOC Limited independently in deepwater area in 2007

## 10 Deepwater PSCs:

	Block	Partners	Acreage	Signing Date
1	40/30	Husky	6,704	02-12-6
2	29/26	Husky	3,965	04-8-16
3	43/11	KMG	9,729	05-2-4
4	42/05	Devon	6,939	05-12-6
5	64/11	BG	7,546	06-6-7
6	53/16	BG	8,671	06-6-7
7	41/06*	BG	9,601	06-6-7
8	29/06	Husky	9,265	06-8-8
9	64/18	Devon	7,712	06-12-12
10	53/30	Devon	6,313	06-12-12

\* 41/06 is a geophysical survey agreement.



# Consistent and Enduring Strategy

**Develop and Expand Natural Gas Business**

**Focus on Production and Reserves Growth**

**Maintain Financial Discipline**



## Sustainable, Stable and Profitable Growth

### Reserves

- Continue to add reserves through exploration and acquisitions

- RRR: 100%

### Development

- 5 development projects scheduled to come on stream in 2007

### Production

- Production target of 162-170 mmboe

### Financial Management

- Maintain prudent financial discipline

### HSE

- Maintain company-wide focus and high standard on HSE





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