



**CNOOC LIMITED**  
**中国海洋石油有限公司**

**2011 Strategy Preview  
Analyst Briefing**

**January 27, 2011**



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# 2011 Key Objectives

## ○ **Production growth to continue**

- Production target at 355-365 mmboe (@WTI US\$82.0/bbl)
- 4 new projects scheduled to come on stream
- 15 projects under construction

## ○ **More efforts on exploration**

- 96 exploration wells, 19,967 km 2D and 17,129 km<sup>2</sup> 3D seismic
- Strengthen deepwater exploration
  - More deepwater wells planned: 2-3 independent, 3 PSC

## ○ **Capex for sustainable growth**

- Capex of US\$8.77 billion, in which US\$1.56 billion for exploration, US\$5.05 billion for development and US\$2.02 billion for production

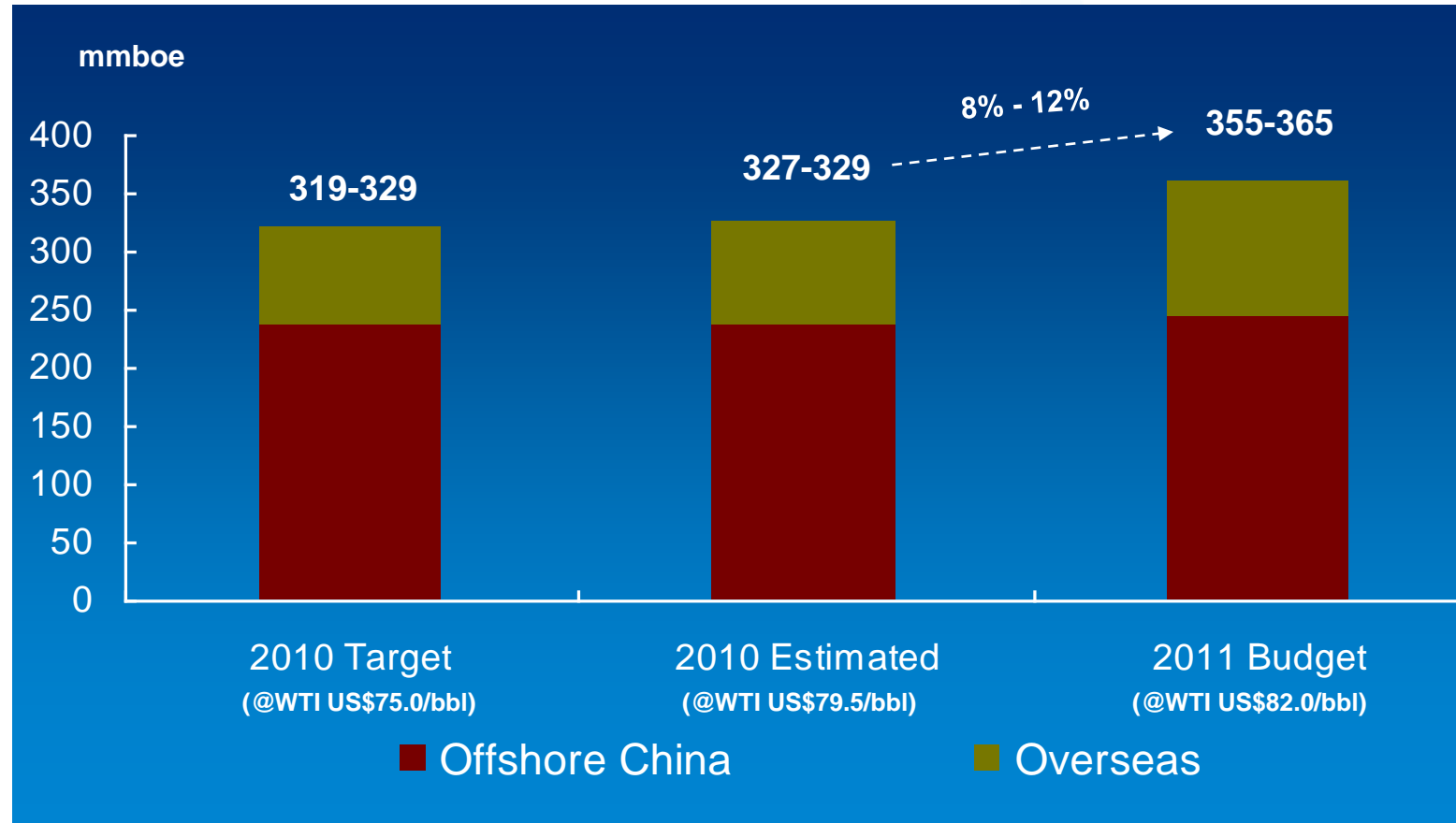
## ○ **Prudent financial policy**

- Maintain competitive cost structure in a cost-inflation environment

## ○ **Healthy production growth in next 5 years**



# Production Target



**2011 production target at 355-365 mmBOE under WTI price of US\$82.0/barrel, including the production contribution from the acquisition of 30% interest of PAE starting April 2011. For the only purpose of production target calculation, we assume that such acquisition will be completed by the end of Q1 2011.**



# Major New Projects

## Jinzhou 25-1

○ To come on stream in 1H

## Jinxian 1-1

○ To come on stream in 1H

## Weizhou 11-2

○ To come on stream in 2H

## Lufeng 13-2 adjustment

○ To come on stream in 2H

## U.S. Eagle Ford Project

Texas, US

○ 33.3% in Eagle Ford

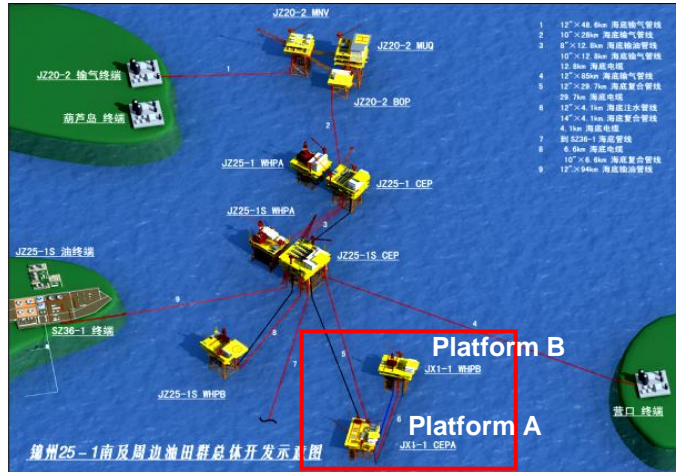
## Argentina Bidas Corporation

○ 20% + 30% of PAE

**4 new projects in offshore China scheduled to come on stream, which will support production growth together with 2 new overseas projects. 15 projects are under construction.**



# Major Project : Jinxian 1-1



- Location: 29.7km southeast of Jinzhou 25-1S
- Module offshore installation completed
- Jackets offshore installation completed
- Peak production: ~21,000 b/d







- **Light crude field**
- **Location: 12.8km north of Jinzhou25-1S**
- **Offshore installation completed**
- **Peak production: ~14,000 b/d**

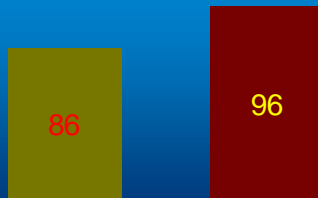




# Exploration Program



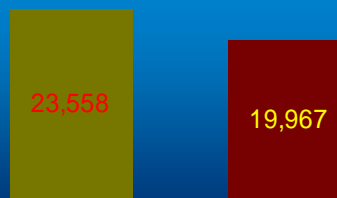
Exploration wells



2010E

2011B

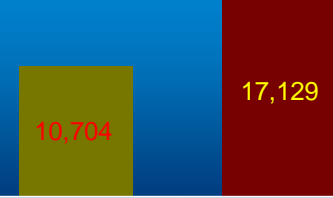
2D (km)



2010E

2011B

3D (km<sup>2</sup>)



2010E

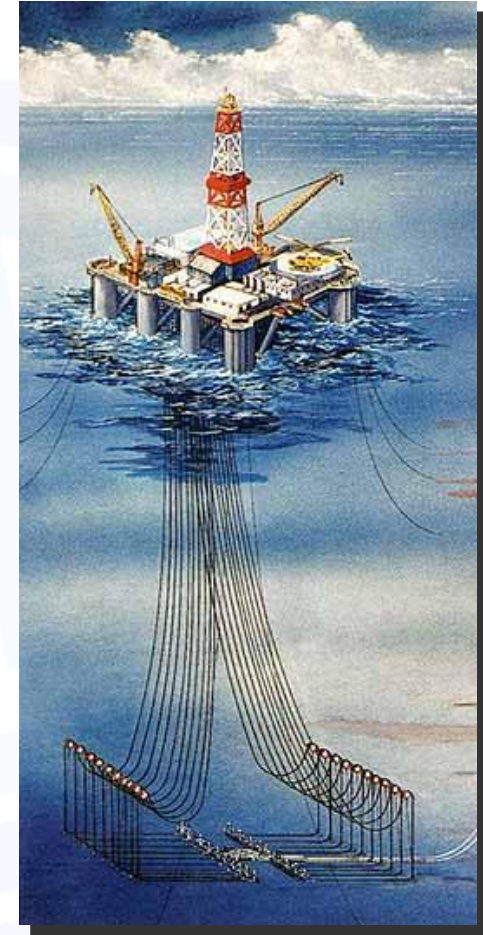
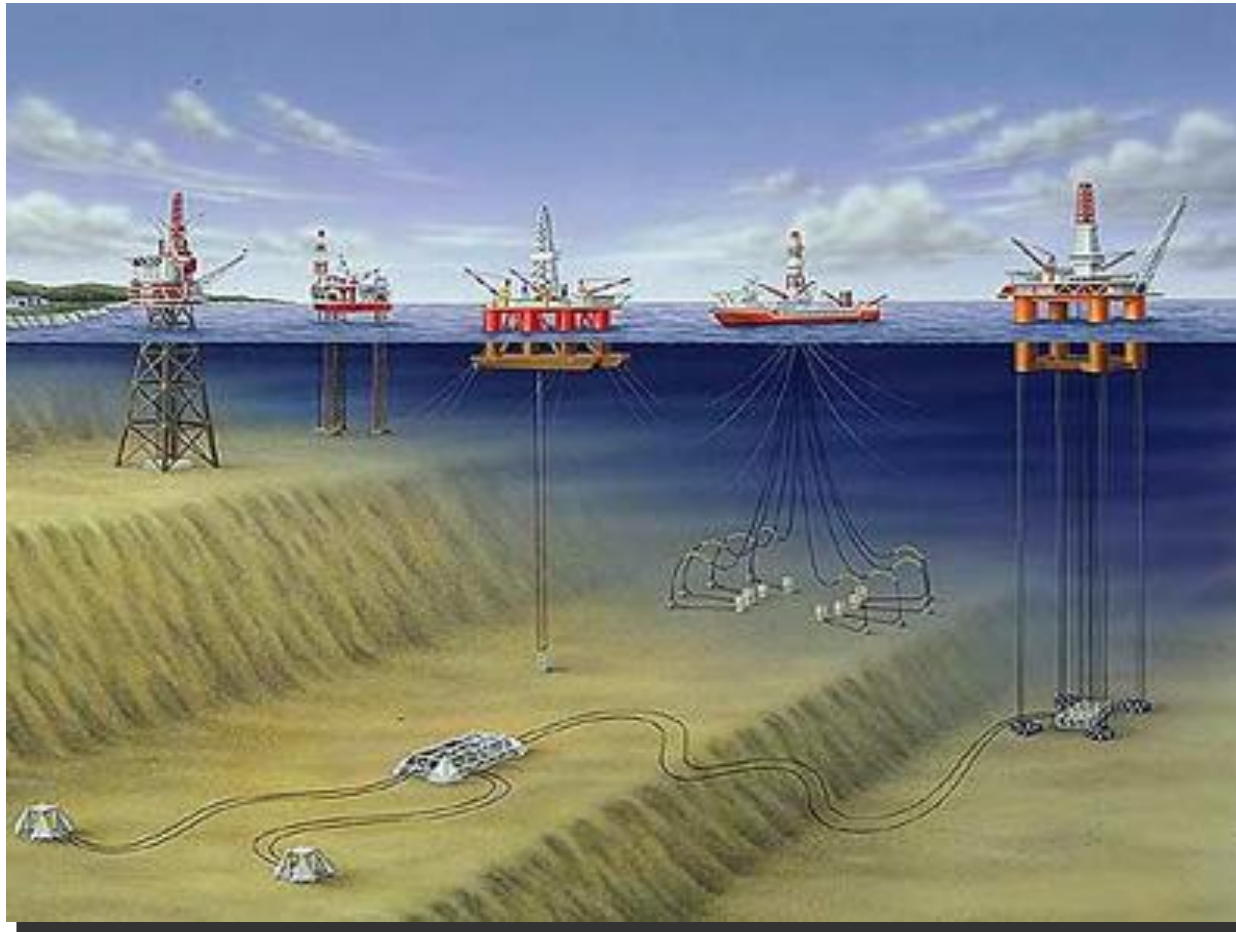
2011B

**2011 exploration program remains intensive with more exploration wells and 3D seismic data planned and more efforts in deepwater**





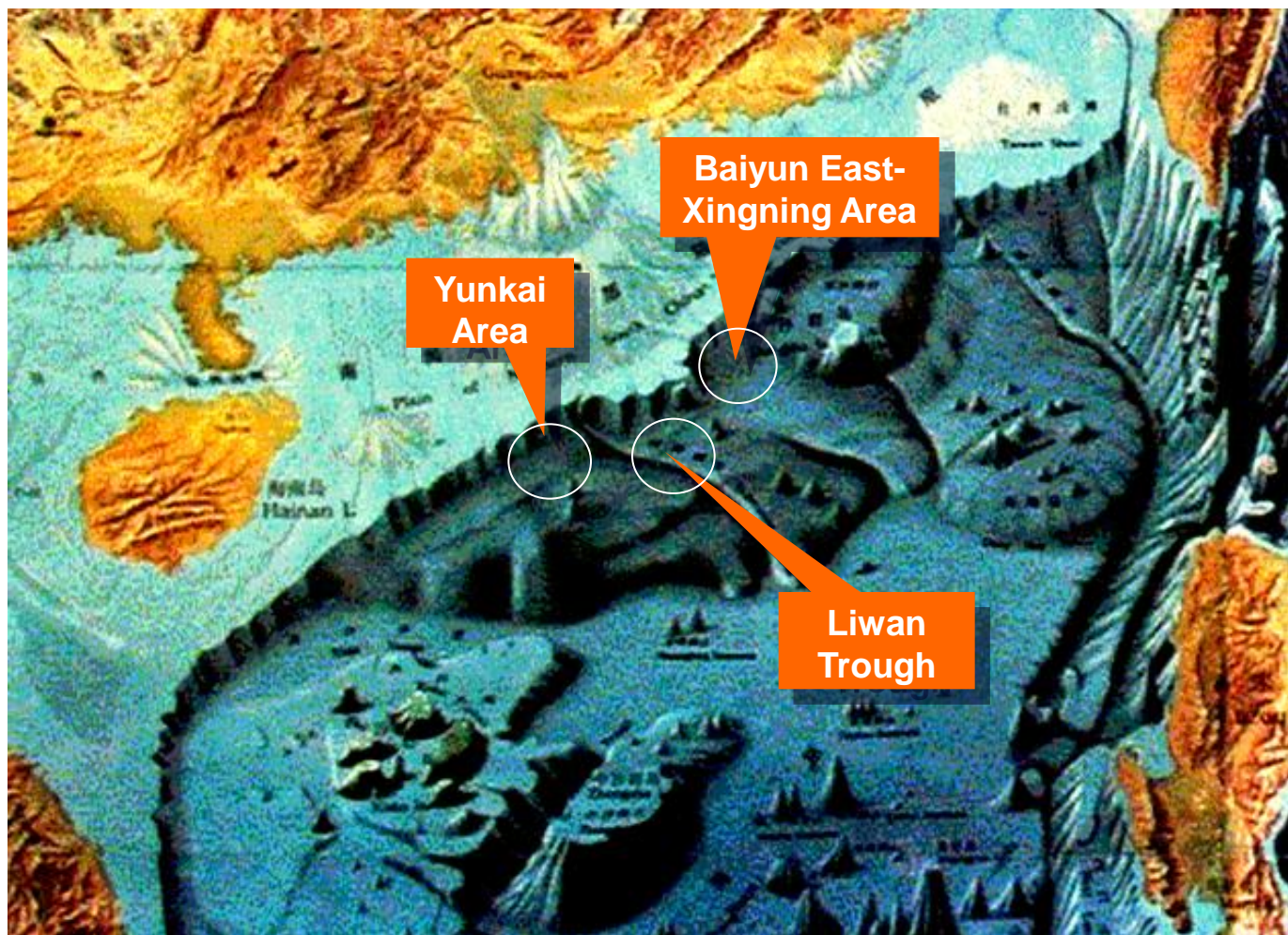
# From Shelf to Deepwater



**Deepwater exploration has been finding significant resources in the past few years. Deepwater area in South China Sea is under-explored and with huge potential.**



# Independent Deepwater Exploration Program

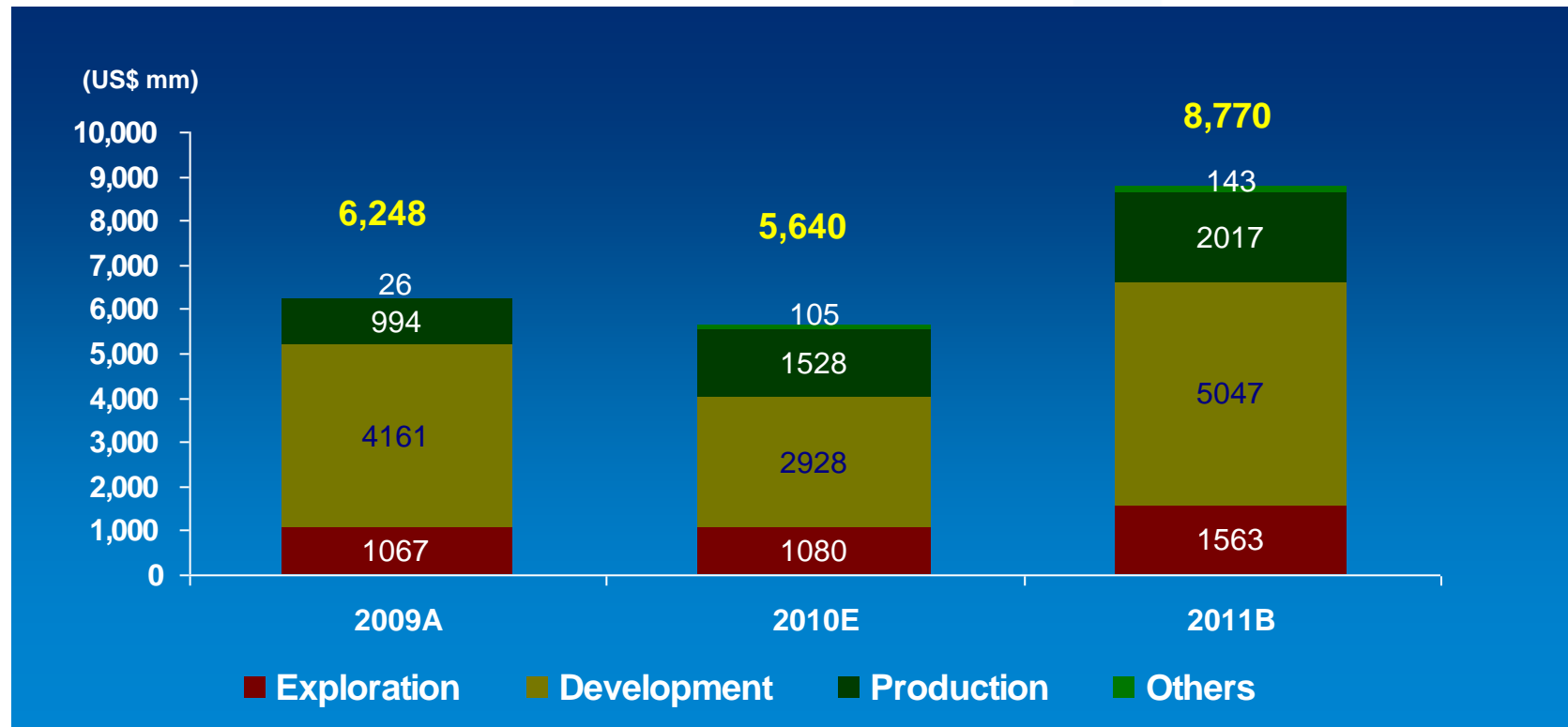


**More efforts in independent deepwater exploration will be made in 2011, including 2-3 deepwater wells and more seismic data**





# CAPEX Allocation

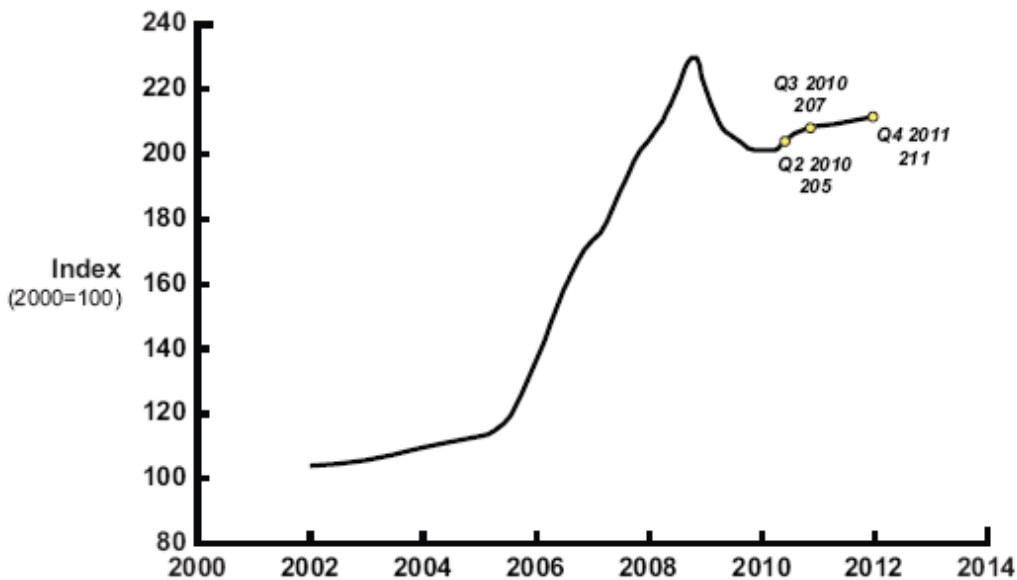


**2011 Capex continues to increase to support a sustainable growth and to accelerate deepwater exploration and development**



# Industry Costs Under Pressure

IHS CERA Upstream Capital Costs Index



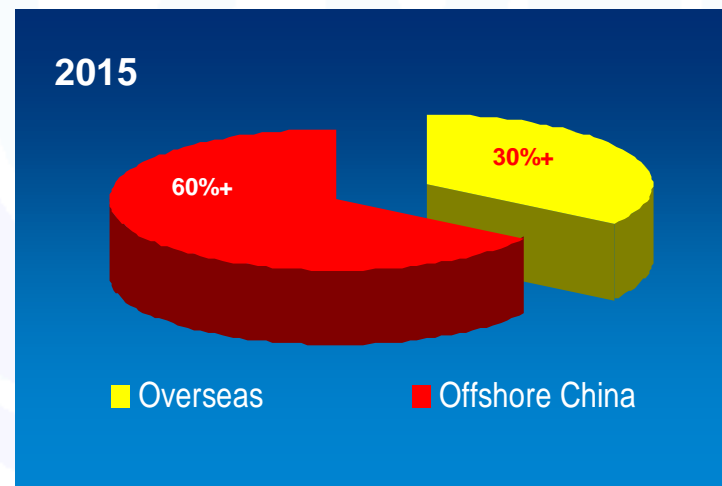
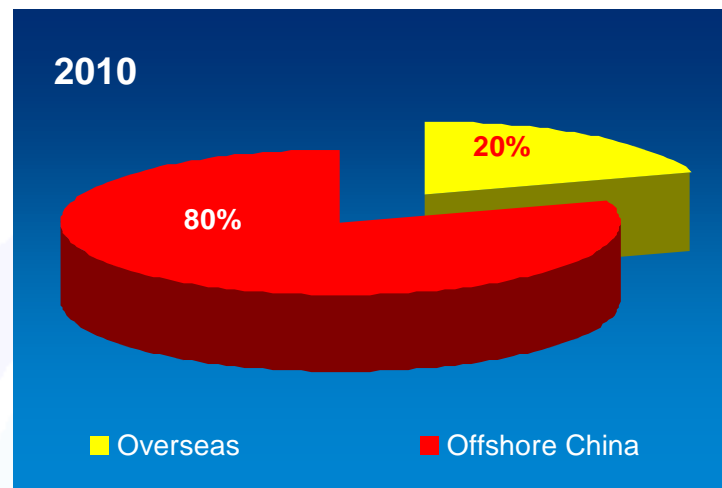
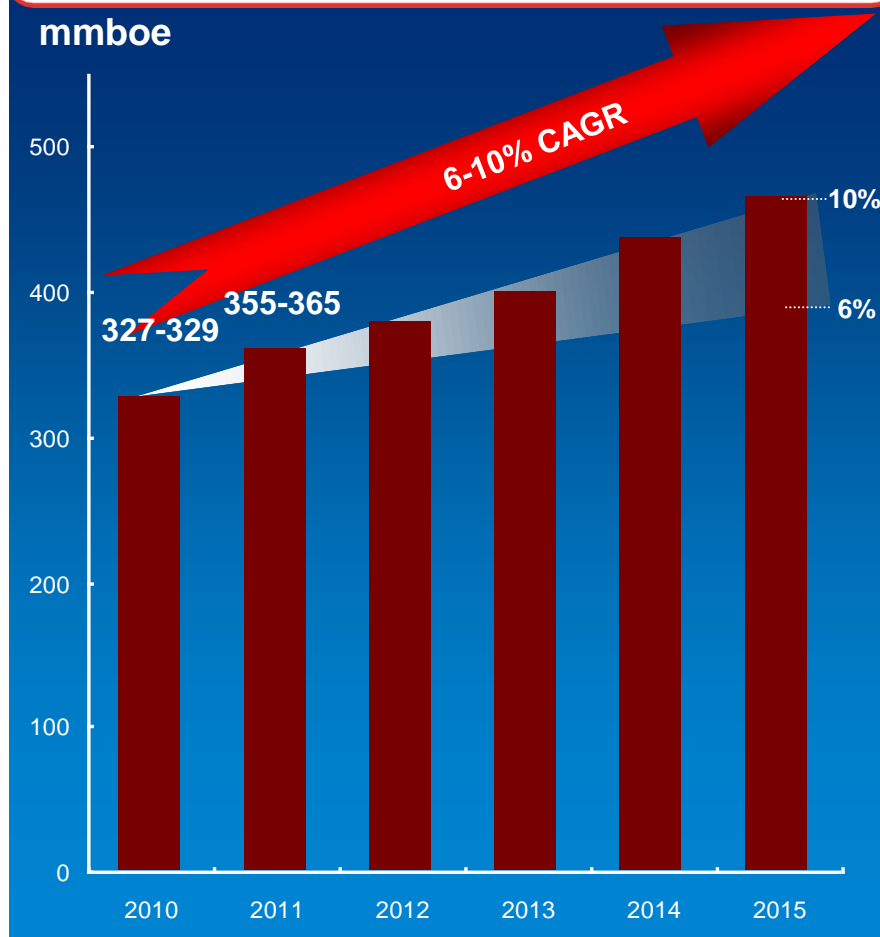
○ Industry costs are expected to see an upward trend, driven by

- Oil price
- Steel
- Labor
- Service



# Long-term Production Target

## 2011-2015 Production Growth Target



**Our 2011-2015 production growth target is 6%-10% CAGR.  
The growth mainly comes from existing projects.**





# Sustainable, Stable and Profitable Growth

## Reserves

- Continue to add reserves through exploration and acquisitions
- RRR: >100%

## Development

- 4 development projects scheduled to come on stream

## Production

- Production target of 355-365 mmboe

## Financial Management

- Maintain prudent financial discipline

## HSE

- Maintain company-wide focus and high standard on HSE



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