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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)**

**2022 Annual Results Announcement**

**CHAIRMAN'S STATEMENT**

Dear shareholders,

In spite of the sluggish global economic recovery and geopolitical turbulence during 2022, CNOOC Limited was resolved to increase reserves and production amid rising oil prices. From our efforts, we delivered the best operating results in history for our shareholders.

In 2022, we listed on the main board of the Shanghai Stock Exchange and became the largest IPO in a decade from China's energy industry. The IPO gives us access to China's dynamic capital market and unfolds a new horizon for our future development.

During 2022, we remained committed to increasing oil and gas production, and the net production reached 624 million BOE, hitting another record high.

We also stepped up our exploration efforts and made 18 commercial discoveries in the year. Our oil and gas exploration was fruitful as it yielded a reserve replacement ratio of 182% and the reserve life remained above 10 years.

We efficiently pushed forward the construction of major projects. 9 projects were brought on stream and more than 40 projects were under construction throughout the year. These projects will be an important driver of our future development.

We implemented an innovation-driven development strategy, and achieved multiple breakthroughs in technological innovation. Digitalization and the use of artificial intelligence were accelerated, and science and technology systems were further improved.

We diligently advanced our green and low-carbon transition, and actively promoted green and clean production of oil and gas. Leveraging offshore advantages, we steadily developed the new energy business and opened a new chapter of resources acquisition.

We have fully utilized our strengths to maintain our cost competitiveness over the years and create better value. In 2022, our net profit amounted to RMB141.7 billion, which is another record high. To share the development results with shareholders, the Board of Directors has recommended the payment of a final dividend of HK\$0.75 per share (tax inclusive) for 2022.

We were, are and will be committed to becoming a first-class energy supplier, a creator of superior value and a pioneer in high-quality development. To fulfill our corporate social responsibilities, we remained active in marine conservation, rural revitalization, community development and employee care.

Looking ahead to 2023, we will capitalize on our strengths to enhance our value-creation capabilities and elevate our international competitiveness.

We will continue to increase our reserves and production. In doing so, we will look for mid-to-large-sized oil and gas fields to consolidate the reserve base and expand our production capacity construction to enlarge our production scale.

We will continue to enhance quality and efficiency, as well as reduce cost. We will also improve our managerial performance to achieve high-quality development of the Company.

We will continue to promote technological innovation. We will work hard to support high-quality development with technological breakthroughs and innovation.

We will continue to strive for green development. We will cultivate green and low-carbon sectors and support the integration of the oil and gas sector with new energy sector.

In 2022, Mr. Xu Keqiang resigned as CEO of the Company, and was re-designated as a Non-executive Director of the Company. Mr. Zhou Xinhuai was appointed as an Executive Director and the CEO. Mr. Lin Boqiang was appointed as an Independent Non-executive Director. On behalf of the Board of Directors, I would like to thank Mr. Xu Keqiang for his contributions to the Company during his term of office as the CEO and welcome Mr. Zhou Xinhuai and Mr. Lin Boqiang. Going forward, all directors will remain dedicated to their duties and work hard for the sound and sustainable development the Company.

Headwinds are no stranger to sailors, who will ride the tides to pursue glories. Greater efforts are required to tackle challenges along the long journey. Dear shareholders, let's join hands to build CNOOC Limited into a world-class energy company and achieve better results for the future.

**Wang Dongjin**  
*Chairman*

Hong Kong, 29 March 2023

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2022

(All amounts expressed in millions of Renminbi, except per share data)

	Notes	2022	2021
<b>REVENUE</b>			
Revenue recognised from contracts with customers			
Oil and gas sales	3	352,956	222,125
Marketing revenues	3	60,433	18,084
Other revenue		<u>8,841</u>	<u>5,902</u>
		<u>422,230</u>	<u>246,111</u>
<b>EXPENSES</b>			
Operating expenses		(31,566)	(27,985)
Taxes other than income tax		(18,778)	(11,172)
Exploration expenses		(14,058)	(11,702)
Depreciation, depletion and amortisation	5	(62,852)	(57,236)
Special oil gain levy		(24,214)	(2,611)
Impairment and provision recognised, net	5	(666)	(7,957)
Crude oil and product purchases		(57,383)	(16,641)
Selling and administrative expenses		(10,468)	(8,961)
Others		<u>(8,920)</u>	<u>(5,867)</u>
		<u>(228,905)</u>	<u>(150,132)</u>
<b>PROFIT FROM OPERATING ACTIVITIES</b>		<b>193,325</b>	<b>95,979</b>
Interest income	5	2,980	1,341
Finance costs	6	(6,027)	(6,019)
Exchange gains, net		18	742
Investment income	5	2,058	2,850
Share of profits of associates		663	611
Profit/(loss) attributable to a joint venture		1,248	(265)
Other income, net		<u>505</u>	<u>582</u>
<b>PROFIT BEFORE TAX</b>	5	<b>194,770</b>	<b>95,821</b>
Income tax expense	7	<u>(53,093)</u>	<u>(25,514)</u>
<b>PROFIT FOR THE YEAR</b>		<b><u>141,677</u></b>	<b><u>70,307</u></b>
Attributable to:			
Equity shareholders of the Company		141,700	70,320
Non-controlling interests		<u>(23)</u>	<u>(13)</u>
		<u><u>141,677</u></u>	<u><u>70,307</u></u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)**

YEAR ENDED 31 DECEMBER 2022

(All amounts expressed in millions of Renminbi, except per share data)

	Notes	2022	2021
<b>OTHER COMPREHENSIVE INCOME/(EXPENSE)</b>			
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translation of foreign operations		17,945	(4,577)
Share of other comprehensive expense of associates		—	(1)
Cash flow hedge reserves		2	—
Other items that will not be reclassified to profit or loss			
Fair value change on equity investments designated as at fair value through other comprehensive income		1,331	1,172
Others		151	759
		<u>19,429</u>	<u>(2,647)</u>
<b>OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR, NET OF TAX</b>			
		<u>19,429</u>	<u>(2,647)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>			
		<u>161,106</u>	<u>67,660</u>
Attributable to:			
Equity shareholders of the Company		161,129	67,673
Non-controlling interests		(23)	(13)
		<u>161,106</u>	<u>67,660</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY</b>			
Basic (RMB Yuan)	8	3.03	1.57
Diluted (RMB Yuan)	8	3.03	1.57

Details of the dividends proposed and paid for the year are disclosed in note 9.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION***31 DECEMBER 2022**(All amounts expressed in millions of Renminbi)*

	<i>Notes</i>	<b>2022</b>	<b>2021</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>532,719</b>	465,451
Right-of-use assets		<b>10,465</b>	8,731
Intangible assets		<b>16,600</b>	14,864
Investments in associates		<b>27,942</b>	23,456
Investment in a joint venture		<b>20,985</b>	18,084
Debt investment		<b>5,975</b>	4,483
Equity investments		<b>1,075</b>	2,675
Deferred tax assets	<i>7</i>	<b>29,885</b>	28,592
Other non-current assets		<b>12,680</b>	12,251
Other non-current financial assets		<b>6,026</b>	—
Total non-current assets		<b>664,352</b>	578,587
<b>CURRENT ASSETS</b>			
Inventories and supplies		<b>6,239</b>	5,703
Trade receivables	<i>10</i>	<b>37,992</b>	27,048
Other financial assets		<b>88,209</b>	82,440
Derivative financial instruments		<b>30</b>	—
Other current assets		<b>10,822</b>	13,061
Time deposits with maturity over three months but within one year		<b>35,754</b>	38,298
Cash and cash equivalents		<b>85,633</b>	41,432
Total current assets		<b>264,679</b>	207,982
<b>CURRENT LIABILITIES</b>			
Loans and borrowings	<i>12</i>	<b>22,817</b>	15,329
Trade and accrued payables	<i>11</i>	<b>59,789</b>	48,990
Lease liabilities		<b>1,873</b>	1,208
Contract liabilities		<b>1,691</b>	1,983
Other payables and accrued liabilities		<b>10,676</b>	9,903
Derivative financial instruments		<b>32</b>	—
Taxes payable		<b>16,513</b>	16,538
Total current liabilities		<b>113,391</b>	93,951
<b>NET CURRENT ASSETS</b>		<b>151,288</b>	114,031
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>815,640</b>	692,618

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)***31 DECEMBER 2022**(All amounts expressed in millions of Renminbi)*

	<i>Notes</i>	<b>2022</b>	2021
<b>NON-CURRENT LIABILITIES</b>			
Loans and borrowings	<i>12</i>	<b>103,145</b>	112,893
Lease liabilities		<b>6,561</b>	5,712
Provision for dismantlement		<b>87,042</b>	75,482
Deferred tax liabilities	<i>7</i>	<b>10,271</b>	6,915
Other non-current liabilities		<b>10,238</b>	9,640
Total non-current liabilities		<b>217,257</b>	210,642
<b>NET ASSETS</b>		<b>598,383</b>	481,976
<b>EQUITY</b>			
Issued capital	<i>13</i>	<b>75,180</b>	43,081
Reserves		<b>522,002</b>	437,831
Equity attributable to equity shareholders of the Company		<b>597,182</b>	480,912
Non-controlling interests		<b>1,201</b>	1,064
<b>TOTAL EQUITY</b>		<b>598,383</b>	481,976

**ZHOU Xinhuai**  
*Director*

**XIA Qinglong**  
*Director*

## NOTES

31 DECEMBER 2022

*(All amounts expressed in millions of Renminbi unless otherwise stated)*

### 1. CORPORATE INFORMATION

CNOOC Limited (the “Company”) was incorporated in the Hong Kong Special Administrative Region (“Hong Kong”) of the People’s Republic of China (the “PRC”) on 20 August 1999 to hold the interests in certain entities thereby creating a group comprising the Company and its subsidiaries. During the year, the Company and its subsidiaries were principally engaged in the exploration, development, production and sale of crude oil and natural gas.

The registered office address of the Company is 65/F, Bank of China Tower, 1 Garden Road, Hong Kong.

In the opinion of the directors of the Company (the “Directors”), the ultimate holding company of the Company is China National Offshore Oil Corporation (“CNOOC Group”), a company established in the PRC.

### 2.1 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (the “IASB”), Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules of Stock Exchange”) and the Hong Kong Companies Ordinance (Cap. 622 of the Laws of Hong Kong) (the “Companies Ordinance”).

The financial information for the years ended 31 December 2022 and 2021 included in this announcement does not constitute the Company’s statutory annual consolidated financial statements required for such two years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with Section 436 of the Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2021 to the Registrar of Companies as required by Section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance, and the Company will deliver the financial statements for the year ended 31 December 2022 in due course.

The Company’s auditor has issued reports on the consolidated financial statements of the Company and its subsidiaries for both years. The auditor’s reports were unqualified; did not contain any reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain any statement made pursuant to Sections 406(2), 407(2) or (3) of the Companies Ordinance.

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The IASB has issued a number of new and amendments to IFRSs that are first effective for the current accounting year commencing 1 January 2022 or later but available for early adoption. The equivalent new and amendments to HKFRSs consequently issued by the HKICPA have the same effective dates as those issued by the IASB and are in all material aspects identical to the pronouncements issued by the IASB.

The accounting policies adopted are consistent with those of the year ended 31 December 2021, except for the first time adoption of the new and amendments to IFRSs/HKFRSs effective for the Company and its subsidiaries’ financial year beginning on 1 January 2022. The application of the new and amendments to IFRSs/HKFRSs in the current year has had no material impact on the accounting policies, the disclosures or the amounts recognised in the consolidated financial statements of the Company and its subsidiaries.

### 3. OIL AND GAS SALES AND MARKETING REVENUES

	2022	2021
Gross sales	364,574	225,729
Less: Royalties	(9,995)	(2,591)
PRC government's share of oil	(1,623)	(1,013)
Oil and gas sales	<u>352,956</u>	<u>222,125</u>
Marketing revenues	<u>60,433</u>	<u>18,084</u>

### 4. SEGMENT INFORMATION

#### (a) Segment results

The Company and its subsidiaries are engaged worldwide in the upstream operating activities of the conventional oil and gas, shale oil and gas, oil sands and other unconventional oil and gas business. The Company and its subsidiaries report the business through three operating and reporting segments, including exploration and production ("E&P"), trading business and corporate. The division of these operating segments is made because the Company's chief operating decision makers make decisions on resource allocation and performance evaluation by reviewing the financial information of these operating segments. The geographical information is separately disclosed in (b).

The following table presents the segment financial information of the Company and its subsidiaries for the years ended 31 December 2022 and 2021:

	E&P		Trading business		Corporate		Eliminations		Consolidated	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
External revenue	101,670	96,185	320,130	149,390	430	536	–	–	422,230	246,111
Intersegment revenue*	259,655	131,276	(259,655)	(131,276)	857	171	(857)	(171)	–	–
Total revenue	<u>361,325</u>	<u>227,461</u>	<u>60,475</u>	<u>18,114</u>	<u>1,287</u>	<u>707</u>	<u>(857)</u>	<u>(171)</u>	<u>422,230</u>	<u>246,111</u>
Segment profit for the year	<u>138,107</u>	<u>68,687</u>	<u>2,159</u>	<u>2,102</u>	<u>3,351</u>	<u>10,638</u>	<u>(1,940)</u>	<u>(11,120)</u>	<u>141,677</u>	<u>70,307</u>
Amounts included in the measure of segment profit or loss										
Operating expenses	(31,657)	(28,003)	–	–	–	–	91	18	(31,566)	(27,985)
Taxes other than income tax	(18,617)	(11,031)	(160)	(87)	(69)	(54)	68	–	(18,778)	(11,172)
Exploration expenses	(14,058)	(11,702)	–	–	–	–	–	–	(14,058)	(11,702)
Depreciation, depletion and amortisation	(62,680)	(56,874)	(32)	(59)	(514)	(354)	374	51	(62,852)	(57,236)
Impairment and provision	(666)	(7,955)	–	–	–	(2)	–	–	(666)	(7,957)
Selling and administrative expenses	(8,294)	(6,978)	(426)	(283)	(2,159)	(1,808)	411	108	(10,468)	(8,961)
Interest income	468	455	165	69	2,347	817	–	–	2,980	1,341
Finance costs	(3,800)	(3,636)	(11)	(3)	(2,363)	(2,525)	147	145	(6,027)	(6,019)
Share of profits of associates and a joint venture	237	241	–	–	1,674	105	–	–	1,911	346
Income tax expense	(52,397)	(25,368)	(376)	(393)	(331)	247	11	–	(53,093)	(25,514)
Other segment information										
Investments in associates and a joint venture	23,397	19,202	–	–	25,530	22,338	–	–	48,927	41,540
Others	530,445	442,250	34,702	20,642	521,040	420,115	(206,083)	(137,978)	880,104	745,029
Segment assets	<u>553,842</u>	<u>461,452</u>	<u>34,702</u>	<u>20,642</u>	<u>546,570</u>	<u>442,453</u>	<u>(206,083)</u>	<u>(137,978)</u>	<u>929,031</u>	<u>786,569</u>
Segment liabilities	<u>(339,134)</u>	<u>(298,099)</u>	<u>(27,625)</u>	<u>(17,388)</u>	<u>(188,591)</u>	<u>(200,904)</u>	<u>224,702</u>	<u>211,798</u>	<u>(330,648)</u>	<u>(304,593)</u>
Capital expenditure	<u>102,753</u>	<u>90,427</u>	<u>6</u>	<u>3</u>	<u>276</u>	<u>533</u>	<u>–</u>	<u>–</u>	<u>103,035</u>	<u>90,963</u>

\* Certain oil and gas produced by the E&P segment are sold via the trading business segment. For the Company's chief operating decision maker's assessment of segment performance, these revenues are reclassified back to E&P segment.



#### 4. SEGMENT INFORMATION (CONTINUED)

##### (b) Geographical information

The Company and its subsidiaries mainly engage in the exploration, development, production and sale of crude oil and natural gas in China, Indonesia, Iraq, Russia, Canada, the United States of America, the United Kingdom, Nigeria, Uganda, Argentina, Brazil, Guyana and Australia etc.

In presenting the Company and its subsidiaries' geographical information, revenues from external customers are based on the location of the Company and its subsidiaries' customers, and non-current assets are attributed to the segments based on the location of the Company and its subsidiaries' assets. 64% (2021: 70%) of the Company and its subsidiaries' revenues are generated from PRC customers, and revenues generated from customers in other locations are individually less than 10%.

The following table presents certain non-current assets information for the Company and its subsidiaries' geographical information for the years ended 31 December 2022 and 2021.

	PRC		Canada		Others		Consolidated	
	2022	2021	2022	2021	2022	2021	2022	2021
Property, plant and equipment	286,551	250,687	84,997	77,986	161,171	136,778	532,719	465,451
Right-of-use assets	7,088	4,440	659	670	2,718	3,621	10,465	8,731
Investments in associates and a joint venture	7,055	5,135	—	—	41,872	36,405	48,927	41,540
Other non-current assets	11,753	11,106	734	857	193	288	12,680	12,251

##### (c) Information about major customers

The current year's revenue of approximately RMB20,663 million (2021: RMB8,761 million) was derived from sales by the E&P segment and the trading business segment to China Petroleum & Chemical Corporation.

## 5. PROFIT BEFORE TAX

The Company and its subsidiaries' profit before tax is arrived at after (crediting)/charging:

	2022	2021
Crediting:		
Interest income from bank deposits	<u>(2,980)</u>	<u>(1,341)</u>
Investment income:		
– Fair value changes on other financial assets	<u>(2,058)</u>	<u>(2,850)</u>
Insurance compensation on disposal of property, plant and equipment	<u>(3)</u>	<u>(43)</u>
Charging:		
Auditors' remuneration:		
– Audit fee	62	55
– Other fees	<u>12</u>	<u>14</u>
	<u>74</u>	<u>69</u>
Employee wages, salaries, allowances and social security costs	<u>11,566</u>	<u>9,708</u>
Impairment and provision:		
– Property, plant and equipment	568	7,923
– Reversal of expected credit losses, net	(11)	(6)
– Others	<u>109</u>	<u>40</u>
	<u>666</u>	<u>7,957</u>
Depreciation, depletion and amortisation:		
– Property, plant and equipment	60,368	55,271
– Right-of-use assets	1,391	1,324
– Intangible assets	1,311	490
– Net amount capitalised	<u>(218)</u>	<u>151</u>
	<u>62,852</u>	<u>57,236</u>
Lease payments not included in the measurement of lease liabilities:		
– Office properties	560	431
– Plant and equipment	<u>357</u>	<u>379</u>
	<u>917</u>	<u>810</u>
Repairs and maintenance	<u>5,552</u>	<u>5,861</u>
Research and development costs	<u>3,472</u>	<u>2,926</u>
Loss on disposal of property, plant and equipment	<u>136</u>	<u>54</u>

## 6. FINANCE COSTS

	2022	2021
Interest on bank loans	342	216
Interest on other loans	4,353	4,691
Interest on lease liabilities	376	364
Other borrowing costs	48	14
Total borrowing costs	5,119	5,285
Less: Amount capitalised	(1,991)	(2,086)
	3,128	3,199
Other finance costs:		
Unwinding of discount on provision for dismantlement	2,899	2,820
	6,027	6,019

During the year ended 31 December 2022, the effective interest rates used to determine the amount of related borrowing costs for capitalisation varied from 1.08% to 7.875% (2021: from 1.08% to 7.875%) per annum.

## 7. INCOME TAX

An analysis of the tax expense in the Company and its subsidiaries' consolidated statement of profit or loss and other comprehensive income is as follows:

	2022	2021
Current tax		
Provision for PRC enterprise income tax on the estimated taxable profits for the year	37,464	20,443
Provision for overseas enterprise income tax on the estimated taxable profits for the year	11,427	5,171
Deferred tax		
Temporary differences in the current year	2,842	(100)
Effect of changes in tax rates	1,360	—
Income tax expense for the year	53,093	25,514

## 7. INCOME TAX (CONTINUED)

A reconciliation of the PRC statutory corporate income tax rate to the effective income tax rate of the Company and its subsidiaries are as follows:

	2022 %	2021 %
PRC statutory enterprise income tax rate	25.0	25.0
Effect of different tax rates for subsidiaries	0.6	3.3
Effect of changes in tax rates	1.3	—
Tax credit from the government	—	(4.0)
Tax reported in equity-accounted entities within China	(0.1)	(0.1)
Others	0.5	2.4
Group's effective income tax rate	<u>27.3</u>	<u>26.6</u>

The movements of deferred tax assets net of deferred tax liabilities are as follows:

	2022	2021
Opening Balance	21,677	22,632
Credit to the profit or loss	(4,202)	100
Charge to equity	(45)	(187)
Exchange differences	2,184	(868)
Closing Balance	<u>19,614</u>	<u>21,677</u>

## 8. EARNINGS PER SHARE

	2022	2021
<b>Earnings:</b>		
Profit for the purpose of basic and diluted earnings per share calculation	<u>141,700</u>	<u>70,320</u>
<b>Number of shares:</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share and diluted earnings per share	<u>46,697,155,252</u>	<u>44,647,455,984</u>
<b>Earnings per share:</b>		
Basic (RMB Yuan)	3.03	1.57
Diluted (RMB Yuan)	<u>3.03</u>	<u>1.57</u>

The Company had no potentially dilutive ordinary shares in issue during the years ended 31 December 2022 and 2021.

## 9. DIVIDENDS

	2022	2021
Dividend per ordinary share:		
2022 interim dividend – HK\$0.70 (2021: interim dividend HK\$0.30) per ordinary share	29,376	11,159
Special dividend – HK\$1.18 (2020: final dividend HK\$0.25) per ordinary share	<u>48,002</u>	<u>9,314</u>

Pursuant to the Enterprise Income Tax Law of the People's Republic of China and related laws and regulations, the Company is regarded as a Chinese Resident Enterprise, and thus is required to withhold corporate income tax at the rate of 10% when it distributes dividends to its non-resident enterprise (as defined in the "Enterprise Income Tax Law of the People's Republic of China") shareholders, with effect from the distribution of the 2008 final dividend. In respect of all shareholders whose names appear on the Company's register of members and who are not individuals (including HKSCC Nominees Limited, corporate nominees or trustees such as securities companies and banks, and other entities or organisations, which are all considered as non-resident enterprise shareholders), the Company will distribute the dividend after deducting corporate income tax of 10%.

## 10. TRADE RECEIVABLES

The credit terms of the Company and its subsidiaries are generally within 30 days after the delivery of oil and gas. Payment in advance or collateral may be required from customers, depending on credit rating. Trade receivables are non-interest bearing.

Substantial customers have good credit quality with good repayment history and no significant receivables are past due. As at 31 December 2022 and 31 December 2021, the age of substantially all the trade receivables was within one year.

## 11. TRADE AND ACCRUED PAYABLES

As at 31 December 2022 and 2021, substantially all the trade and accrued payables were aged within six months. The trade and accrued payables are non-interest-bearing.

## 12. LOANS AND BORROWINGS

The details of note repaid during the year ended 31 December 2022 are as follow:

Issued by	Maturity	Coupon Rate	Principal Amount USD million
CNOOC Finance (2012) Ltd	2022	3.875%	1,500

### 13. SHARE CAPITAL

	Number of shares	Issued share capital equivalent of RMB million
<b>Issued and fully paid:</b>		
Ordinary shares with no par value as at 1 January 2021 and as at 31 December 2021	44,647,455,984	43,081
Shares newly issued in 2022 <sup>(1)</sup>	2,990,000,000	32,099
Repurchase of own shares and cancelled <sup>(2)</sup>	(70,692,000)	—
As at 31 December 2022	<u>47,566,763,984</u>	<u>75,180</u>
Of which: Shares listed on The Stock Exchange of Hong Kong Limited	44,576,763,984	
Shares listed on the Shanghai Stock Exchange	<u>2,990,000,000</u>	

- (1) According to the “Approval of the Initial Public Offering of Shares of CNOOC Limited” Zheng Jian Xu Ke No. [2022] 632, the China Securities Regulatory Commission (the “CSRC”) approved initial public offering of RMB ordinary shares (“A-share offering”) of the Company. The price of the Company’s A-share offering was RMB10.80 per ordinary share, and after exercising the over allotment option, the final number of shares issued was 2,990 million. The raised funds have been verified by Ernst & Young Hua Ming LLP and capital verification reports (Ernst & Young Hua Ming (2022) Yan Zi No. 60157570\_A02 & 60157570\_A03) were issued. The total amount of the final funds raised in this offering was RMB32,292 million. After deducting the issuance expenses of RMB193 million, the net amount of funds raised was RMB32,099 million.
- (2) During the year ended 31 December 2022, the Company repurchased and cancelled 70,692,000 of its own shares with an aggregate cash payment of HK\$693 million listed on The Stock Exchange of Hong Kong Limited (“HKSE”), equivalent to approximately RMB623 million. Such buy-backs were financed out of the Company’s distributable profits, as a result, the payment was reduced from the Company’s “Retained earnings”.

### 14. SUBSEQUENT EVENTS

The Company and its subsidiaries have no significant subsequent events needed to be disclosed in the consolidated financial statements.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **DEVELOPMENT STRATEGY**

As one of the largest independent oil and gas exploration and production companies in the world, we mainly engage in the exploration, development, production and sales of crude oil and natural gas. The Company's development strategy mainly covers the following three aspects.

#### **Focus on reserves and production growth**

As an upstream company specialising in the exploration, development, production and sale of oil and natural gas, the Company focuses on the increase of reserves and production, which is regarded as the cornerstone of development. The Company keeps its focus on profitability, and expands reserves and production through exploration, development, production and value-driven acquisitions. In terms of exploration, the Company will adhere to the strategy of targeting both oil and gas and weighting more on gas exploration. We will intensify exploration in Bohai, accelerate exploration in the South China Sea and continue to strengthen risk exploration. Meanwhile, the Company will promote unconventional exploration and actively practice value-driven exploration in overseas. In terms of development and production, to achieve profitable production, the Company actively promotes the construction of key projects and maintains a stable and increasing production in producing oil and gas fields.

#### **Develop natural gas business**

The Company implements the low-carbon development concept and expands the natural gas business actively. While solidly promoting offshore gas exploration and development, the Company has increased its efforts in onshore unconventional gas business. The Company will build South China Sea trillion-cubic-meters-level gas fields with the support of "Shenhai-1", the first proprietary deep-water large-scale integrated natural gas field in the South China Sea; develop the large gas area in Bohai Sea centered on the Bozhong 19-6 large condensate gas field; and vigorously develop its onshore unconventional natural gas business by CUCBM as a platform. By 2025, the proportion of natural gas gross production will continue to increase in the Company's gross oil and gas output.

#### **Maintain prudent financial policies**

The Company upholds our prudent financial policies. Thanks to years of sustained efforts to increase reserves and production and improve quality and efficiency, the Company's profitability has increased significantly. In 2022, the Company continued to maintain a cost competitive advantage, with the all-in cost at US\$30.39 per BOE. The Company also put more emphasis on to cash flow management and maintains a healthy financial position. In 2022, the Company's free cash flow was RMB110.8 billion and the gearing ratio was 18.3% as at the end of the year. Cost control has been considered as a key indicator in the Company's performance appraisal and evaluation system. Going forward, the Company will further control the cost and maintain a competitive cost structure.

## **CORE COMPETITIVENESS**

### **Abundant oil and gas resources with leading production growth capacity in the industry**

The Company has abundant resources. As of the end of 2022, the Company had net proved reserves of approximately 6.24 billion BOE. In 2022, the reserve replacement ratio reached 182% and the reserve life remained above 10 years for six consecutive years, further consolidating the reserve base. During the year, the Company's net production reached 624 million BOE, an increase of 8.9% year-on-year, leading the peers in the industry in terms of production growth.

### **Leading exploration and development activities in offshore China with obvious advantages in regional development**

The oil and gas exploration in offshore China is overall in a relatively early stage, indicating a huge growth potential of reserve and production. The Company is the dominant producer of oil and natural gas in offshore China with extensive experiences in exploration and development and has become an expert on China's sea basins. At present, the Company has a high exploration success rate in offshore China, with over 120 oil and gas fields in production. The Company has established offshore production facilities and subsea piping systems in offshore China which could provide strong support to regional exploration and development in the future.

### **In possession of a complete set of technical system for offshore oil and gas exploration and development**

The Company has established a complete technology system for offshore oil and gas exploration, development and production. Breakthroughs have been made for ultra-deepwater oil and gas field development engineering in water depth of over 1,500 meters. The Company has made positive progress in key technical fields such as exploration in medium to deep strata, enhanced water flooding and other production stimulation measures, effective development of large-scale thermal mining of heavy oil, enhanced recovery rate in producing oil and gas fields, and subsea production system, which all provide strong support to the sustainable development of offshore oil and gas business.

### **Effective cost control and healthy financial performance**

The Company has a complete cost control system and industry-leading profitability per BOE. Over the years, the Company has maintained a sound ability to generate cash flow, and its financial condition remained at high level in the industry. The Company is in a sound financial position, with a low gearing ratio and a strong financing capability.

### **In possession of a diverse asset structure**

The Company possesses oil and gas assets worldwide. It has a diverse asset structure and strong capacity of globalized operation and management. It holds interests in many world-class oil and gas projects such as Stabroek in Guyana and Buzios in Brazil, and owns assets in more than 20 countries and regions around the world.

### **Steady progress towards green and low-carbon development**

Upholding the green and low-carbon development concept, the Company actively expanded business in new energy sector by capitalizing on its advantages in marine resource development. Focusing on onshore power project and intelligent oilfield construction, it promoted the construction of a green and low-carbon management and control system. It also vigorously accelerated the development of offshore wind power, pushed forward CCS/CCUS research, and developed onshore photovoltaic power generation.



## 2022 OVERVIEW

In 2022, the world suffered from intensified geopolitical conflicts, and sluggish economic recovery. Developed economies raised the interest rates sharply to reduce inflation and the tight monetary policy dampened economic growth. The emerging economies were put under higher pressure from external debt and thus confronted with slower economic growth. According to IMF statistics, the global growth was 3.4% in 2022, and China's economy grew 3.0% year-on-year. International oil prices were affected by geopolitics, crude oil inventories and recessionary expectations and showed an inverted "V" shape throughout the year. The average price of Brent crude oil in 2022 was US\$99.0/barrel, up 40.0% year-on-year.

During 2022, the development of China's oil industry remained stable and orderly. China's oil and gas production companies continued to increase reserves and production and improve oil and gas self-sufficiency, with both crude oil and natural gas production achieving growth.

In 2022 the Company seized the favorable opportunity to achieve the best-ever operating and financial results. Net proven reserves and net production both reached a new level. Net profit doubled year-on-year, and cost competitiveness was consolidated. Moreover, the Company significantly enhanced its value creation capacity.

On 21 April 2022, the Company was successfully listed on the main board of the Shanghai Stock Exchange ("SSE"), making it the largest IPO in China's energy industry in the past decade, bringing the Company into the more vibrant Chinese mainland capital market and also providing quality investment targets for the capital market in mainland China.

The basic earnings per share and diluted earnings per share during the years ended 31 December 2022 was RMB3.03 and RMB3.03 respectively. The Board of Directors has recommended the payment of a final dividend of HK\$0.75 per share (tax inclusive).

## FINANCIAL RESULTS

### Consolidated net profit

Our consolidated net profit increased by 101.5% to RMB141,677 million in 2022 from RMB70,307 million in 2021, primarily as a result of the increase reserves and production, enhancing quality and efficiency to reduce costs, the net profit hit a new high record in the higher international oil price environment.

### Revenues

Our oil and gas sales, realised prices and sales volume in 2022 are as follows:

	2022	2021	Change Amount	%
Oil and gas sales (RMB million)	<b>352,956</b>	222,125	130,831	58.9
Crude and liquids	<b>311,035</b>	193,027	118,008	61.1
Natural gas	<b>41,921</b>	29,098	12,823	44.1
Sales volume (million BOE)*	<b>603.6</b>	552.1	51.5	9.3
Crude and liquids (million barrels)	<b>478.7</b>	440.5	38.2	8.7
Natural gas (bcf)	<b>726.2</b>	648.7	77.5	11.9
Realised prices				
Crude and liquids (US\$/barrel)	<b>96.59</b>	67.89	28.70	42.3
Natural gas (US\$/mcf)	<b>8.58</b>	6.95	1.63	23.5

\* Excluding our interest in equity-accounted investees.

The increase in crude and liquids sales in 2022 was primarily due to the higher sales volume and international oil price. The increase in natural gas sales in 2022 was primarily reflected the higher sales volume and market price.

## **Operating expenses**

Our total amounts of operating expenses increased by 12.8% to RMB31,566 million in 2022 from RMB27,985 million in 2021, mainly due to increase of production driven by oil and gas fields commencement. Our operating expenses per BOE increased by 3.0% to RMB52.1 (US\$7.74) per BOE in 2022 from RMB50.6 (US\$7.83) per BOE in 2021, primarily due to higher commodity prices and rising prices from overseas inflation. China operating expenses per BOE decreased by 1.5% to RMB45.4 (US\$6.75) per BOE in 2022 from RMB46.1 (US\$7.15) per BOE in 2021. Overseas operating expenses per BOE increased by 12.2% to RMB68.9 (US\$10.24) per BOE in 2022 from RMB61.4 (US\$9.51) per BOE in 2021.

## **Taxes other than income tax**

Our taxes other than income tax increased by 68.1% to RMB18,778 million in 2022 from RMB11,172 million in 2021, mainly due to the increase in oil and gas sales as a result of the higher international oil price.

## **Exploration expenses**

Our exploration expenses increased by 20.1% to RMB14,058 million in 2022 from RMB11,702 million in 2021, mainly due to the increase in exploration investment and exploration expenses, driven by the increased efforts in risk exploration based on the value-driven exploration philosophy.

## **Depreciation, depletion and amortisation**

Our total amount of depreciation, depletion and amortisation increased by 9.8% to RMB62,852 million in 2022 from RMB57,236 million in 2021.

The total amount of dismantlement provision-related depreciation, depletion and amortisation increased by 38.5% to RMB3,432 million in 2022 from RMB2,478 million in 2021. Our dismantling cost per BOE increased by 27.9% to RMB5.73 (US\$0.85) per BOE in 2022 from RMB4.48 (US\$0.69) per BOE in 2021, primarily due to the increase of the present value of asset retirement obligations brought by the decrease of RMB bond interest rates in the market.

The amount of depreciation, depletion and amortisation (excluding the dismantling costs) increased by 8.5% to RMB59,420 million in 2022 from RMB54,758 million in 2021 mainly due to increase of production as a result of oil and gas field commencement. Our average amount of depreciation, depletion and amortisation per BOE (excluding the dismantling costs) decreased by 0.2% to RMB98.7 (US\$14.67) per BOE in 2022 from RMB98.9 (US\$15.33) per BOE in 2021, primarily as a result of the change in proportional distribution of production and the depreciation of the Renminbi against the U.S. dollar.

## **Impairment and provision**

Our impairment and provision decreased by 91.6% to RMB666 million in 2022 from RMB7,957 million in 2021, primarily due to the higher net present value of the majority of oil and gas assets, no significant impairment recognition.

## **Selling and administrative expenses**

Our selling and administrative expenses increased by 16.8% to RMB10,468 million in 2022 from RMB8,961 million in 2021, due to the increased related costs as a result of our higher of oil and gas sales volume and marketing sales volume.

## Interest income

Our interest income increased by 122.2% to RMB2,980 million in 2022 from RMB1,341 million in 2021, primarily due to the rise in the amount of our average deposited monetary funds driven by higher cash inflow.

## Exchange gains, net

Our net exchange gains decreased by 97.6% to RMB18 million in 2022 from RMB742 million in 2021, primarily arising from Renminbi exchange rate fluctuation against the Hong Kong dollars and U.S. dollar.

## Share of profits of associates and a joint venture

Our share of profits of associates and a joint venture increased by 452.3% to RMB1,911 million in 2022 from RMB346 million in 2021, mainly driven by the significant increased profitability of the joint venture resulting from the increase of international oil price.

## Income tax expense

Our income tax expense increased by 108.1% to RMB53,093 million in 2022 from RMB25,514 million in 2021, mainly due to the significant increase in our overall pre-tax profitability as a result of the rise of production and international oil price in 2022.

## CAPITAL RESOURCES AND LIQUIDITY

### Overview

Our primary source of cash during 2022 was cash flows from operating activities. We used cash primarily to fund capital expenditure and dividends. The changes are as follows:

	2022 RMB million	2021 RMB million	Change RMB million	%
Generated from operating activities	205,574	147,893	57,681	39.0
Used in investing activities	(98,473)	(96,235)	(2,238)	2.3
Used in financing activities	(64,962)	(33,332)	(31,630)	94.9

### Net cash inflows from operating activities

The net cash flows from operating activities increased by 39.0% to RMB205,574 million in 2022 from RMB147,893 million in 2021, primarily attributable to the increase in cash inflows from oil and gas sales caused by the higher sales volume and international oil price.

### Net cash outflows from investing activities

In 2022, our capital expenditure payment increased by 11.3% to RMB81,373 million from RMB73,088 million in 2021. Our development expenditures in 2022 were primarily related to the capital expenditure of Bozhong 19-6 gas field in offshore China and overseas projects in Guyana, Iraq and Brazil, as well as the expenditure incurred for improving recovery factors of the oil and gas fields in producing. Our cash outflow from acquisition of oil and gas properties in 2022 was RMB13,381 million.

In addition, our cash used in investing activities was also attributable to the purchase of corporate wealth management products and structured deposits of RMB111,936 million this year. Our cash generated from investing activities was mainly from the returns on due corporate wealth management products and structured deposits in the amount of RMB101,261 million, and the decrease in our time deposits with maturity over three months in the amount of RMB1,473 million.

### Net cash outflows from financing activities

In 2022, the net cash outflows in financing activities was mainly due to the repayment of bonds of RMB11,244 million and dividend payment of RMB77,378 million, partially offset by the increased proceeds from offering of A-shares of RMB32,099 million.

At the end of 2022, our total interest-bearing outstanding debt was RMB134,396 million, compared to RMB135,142 million at the end of 2021. The decrease in debt in 2022 was primarily attributable to the repayment of bonds and impact of changes in the exchange rate between the Renminbi and U.S. dollar in this year. Our gearing ratio, which is defined as interest-bearing debts divided by the sum of interest-bearing debts plus equity, was 18.3%, a significant decrease from 21.9% in 2021, mainly due to the repayment of bonds and the increase in the owner's equity.

### Capital Expenditure

The following table sets forth the Company's actual capital expenditure for the periods indicated.

	Year ended 31 December		
	2020	2021	2022
	(RMB million)		
<b>China</b>			
Development	45,527	48,450	57,612
Exploration	11,689	14,898	17,807
<b>Subtotal</b>	57,216	63,348	75,419
<b>Overseas</b>			
Development	17,503	21,088	22,289
Exploration	2,687	3,156	2,649
<b>Subtotal</b>	20,190	24,244	24,938
<b>Total</b>	77,406	87,592	100,357

Note: Capitalised interests for 2020, 2021 and 2022 were RMB2,483 million, RMB2,086 million and RMB1,991 million, respectively.

### OTHERS

#### Employees

As of 31 December 2022, the Company had 18,893 employees in China, 2,352 employees overseas and 207 contracted employees.

The Company has set up a market-oriented recruitment structure and has adopted an appropriate remuneration structure.

## **CHARGES ON ASSETS**

CNOOC NWS Private Limited, a wholly-owned subsidiary of the Company, together with the other joint venture partners and the operator of the NWS Project, signed a Deed of Cross Charge and an Extended Deed of Cross Charge whereby certain liabilities incurred or to be incurred, if any, by the Company in respect of the NWS Project are secured by its interest in the NWS Project.

## **CONTINGENCIES**

As a Chinese Resident Enterprise, the Company may be liable to pay taxes on the deemed interest income for the funding provided to its overseas subsidiaries starting from 1 January 2008. The Company has prepared contemporaneous documentation in accordance with applicable PRC tax laws and regulations and is currently awaiting confirmation from its local tax authority.

The Company and its subsidiaries are subject to tax in numerous jurisdictions around the world. There are audits in progress and items under review. Difference in positions taken by taxation authorities over the interpretation and application of tax laws and regulations may increase the Company and its subsidiaries' tax liability. Management of the Company has assessed the possible future outcome of matters that are currently under dispute. Management of the Company believes that an adequate provision for future tax liability has been included in the consolidated financial statements based on available information.

In addition to the matters mentioned above, the Company or its subsidiaries are dealing with a number of lawsuits and arbitrations that arise in the ordinary course of business. While the results of these legal proceedings cannot be ascertained at this stage, management of the Company believes these proceedings are not expected to have a material effect on the consolidated financial statements.

## **OUTLOOK FOR 2023**

Looking to 2023, global economic growth momentum presents a further downward trend due to multiple factors. High inflation attacks many countries, fueled by a surge in the risk of financial crisis. China's positive economic development in the long run will provide a strong impetus to the world economy and great support to the rising energy demand.

Oil and gas will continue to play a significant part in the structure of the world's energy demand for a long time. The global need for oil and gas is anticipated to increase further, with China's demand for these commodities particularly promising for the Company's future growth. Also, China has a vast potential for the development of marine energy due to its abundance in offshore oil and gas, wind, and other resources.

In 2023, we will follow the development trend by giving full play to our strengths, increasing oil and gas reserves and production and promoting independent innovation in science and technology. Moreover, we will push forward the green transformation of energy, implement quality and efficiency improvement actions and further enhance our value creation capacity to bring greater returns to our shareholders. For the full year, capital expenditure is expected to be RMB100-110 billion and production is targeted at 650-660 million BOE. Nine new projects are planned to be commissioned during the year and the reserve replacement ratio will be no less than 130%. At the same time, the Company will maintain a sound health, safety and environmental performance.

## **DIVIDENDS**

A special dividend of HK\$1.18 (tax inclusive) per share was declared on 28 April 2022, and paid to the shareholders of the Company on 15 July 2022. An interim dividend of HK\$0.70 (tax inclusive) per share was declared on 25 August 2022, and paid to the shareholders of the Company on 13 October 2022.

The net profit attributable to ordinary shareholders of the Company under the 2022 consolidated financial statements is RMB141,700 million. In overall consideration of the factors such as the future earnings, capital requirements, financial position, future prospect and cash flow of the Company, the Board proposes to distribute the final dividend for the year ended 31 December 2022 in the amount of HK\$0.75 per share (tax inclusive) to all the shareholders. Based on the Company's total share capital of 47,566,763,984 shares as of 31 December 2022, the total final dividend for 2022 is HK\$35,675 million (tax inclusive), together with the interim dividend of HK\$0.70 per share (tax inclusive) already paid, the total of final dividend and interim dividend for 2022 are HK\$1.45 per share (tax inclusive), and the total dividend payment amount is HK\$69,021 million (tax inclusive), accounting for approximately 43% of net profit attributable to ordinary shareholders of the Company under the 2022 consolidated financial statements. During this profit distribution, the Company will not distribute bonus shares or convert capital reserve into share capital. The dividends will be denominated and declared in HKD. The dividends on A shares will be paid in RMB calculated using the average central parity rate between HKD and RMB announced by the People's Bank of China for the week immediately preceding the date of the declaration of dividend by the Annual General Meeting; dividend for Hong Kong shares will be paid in HKD.

In the event of any change in the total issued shares of the Company from the date of announcement to the registration date for the final dividend of 2022, the Company intends to maintain the same amount of dividend payable per share and adjust the total distribution amount accordingly, and disclose the same in the relevant announcement. The Company's final share distribution plan for 2022 has been approved by the 2nd meeting of the Board of the Company in 2023, and is subject to the approval by the shareholders in the 2022 annual general meeting of the Company.

## **AUDIT COMMITTEE**

The Audit Committee of the Company has reviewed, together with the management, the Company and its subsidiaries' consolidated financial statements for the year ended 31 December 2022, including the accounting policies adopted by the Company and its subsidiaries and has discussed the risk management, internal control and financial reporting matters. The Audit Committee of the Company has reviewed the annual results of the Company and its subsidiaries for the year ended 31 December 2022.

This announcement has been based on the Company and its subsidiaries' consolidated financial statements for the year ended 31 December 2022 which have been agreed with the auditor.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

For the year ended 31 December 2022, details of the ordinary Hong Kong shares repurchased by the Company through HKSE are as follows:

Month of repurchase	Number of ordinary Hong Kong shares repurchased	Price per share		Total consideration paid  (HK\$)
		Highest price (HK\$)	Lowest price (HK\$)	
September	44,829,000	10.00	9.56	444,122,289.97
October	25,863,000	9.84	9.29	249,034,019.03
	<b>70,692,000</b>			<b>693,156,309.00</b>

All of the above repurchased shares have been cancelled.

Between September and December 2022, CNOOC Petroleum North America ULC (“CPNA”, an indirect wholly-owned subsidiary of the Company) repurchased and cancelled the following bonds issued by it as issuer in the over-the-counter market:

Issuer	Maturity Date	Coupon Rate	Face Amount (USD)	Face Amount Repurchased (USD)	Percentage of Repurchase	Outstanding Amount as at 31 December 2022 (USD)
CPNA	1 May 2028	7.400%	200,000,000.00	40,000,000.00	20.0%	160,000,000.00
CPNA	15 March 2032	7.875%	500,000,000.00	68,544,000.00	13.7%	431,456,000.00
CPNA	10 March 2035	5.875%	790,000,000.00	57,754,000.00	7.3%	732,246,000.00
CPNA	15 May 2037	6.400%	1,250,000,000.00	55,408,000.00	4.4%	1,194,592,000.00
CPNA	30 July 2039	7.500%	700,000,000.00	4,000,000.00	0.6%	696,000,000.00

None of the above bonds was listed on HKSE.

Save as disclosed in this announcement, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of its listed securities during the year ended 31 December 2022.

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

For the year ended 31 December 2022, the Company has complied with the provisions of the CG Code as set out in Appendix 14 to the Listing Rules.

## PROVISIONS FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Code of Ethics which has incorporated the provisions for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules, the Securities Law of the People’s Republic of China and the Listing Rules of SSE. All Directors have confirmed that they complied, during the year ended 31 December 2022, with the Company’s Code of Ethics and the required standards.

## PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

The electronic version of this announcement is published on the website of HKSE (<http://www.hkex.com.hk>), the website of SSE(<http://www.sse.com.cn>) and the Company's website (<http://www.cnoocld.com>). The annual report for the year ended 31 December 2022, containing all the information required by Appendix 16 to the Listing Rules of Stock Exchange, will be despatched to shareholders of the Company and published on the websites of HKSE and SSE, and the Company's website in due course.

By Order of the Board  
**CNOOC Limited**  
**Wang Dongjin**  
Chairman

Hong Kong, 29 March 2023

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

**Non-executive Directors**  
Wang Dongjin (*Chairman*)  
Li Yong (*Vice Chairman*)  
Xu Keqiang  
Wen Dongfen

**Executive Directors**

Zhou Xinhui  
Xia Qinglong

**Independent Non-executive Directors**

Chiu Sung Hong  
Lawrence J. Lau  
Tse Hau Yin, Aloysius  
Qiu Zhi Zhong  
Lin Boqiang

*This announcement includes forward-looking information, including the likely future developments in the business of the Company and its subsidiaries, such as statements regarding 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 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 and depends on a number of uncertainties which could cause the actual results, performance and financial condition may differ materially from the Company's expectations, including but not limited to those associated with fluctuations in crude oil and natural gas prices, macro-political and economic factors, changes in the tax and fiscal regimes of the host countries in which we operate, the highly competitive nature of the oil and natural gas industry, environmental responsibility and compliance requirements, the Company's price forecast, the exploration and development activities and mergers, acquisitions and divestments activities, HSSE and insurance policies and changes in anti-corruption, anti-fraud, anti-money laundering and corporate governance laws. 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.*