

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

ANNOUNCEMENT

First Quarterly Report of 2023

This announcement is made by CNOOC Limited pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The financial data of the Company for the first quarter of 2023 are unaudited and have been prepared in accordance with the PRC Accounting Standards for Business Enterprises.

IMPORTANT NOTICE

The Board of Directors, the directors, and senior management of CNOOC Limited (the “**Company**”) warrant that there are no material omissions from, or misrepresentation or misleading statements contained in the quarterly report, and jointly and severally assume full responsibility for the truthfulness, accuracy and completeness of the information contained in this quarterly report.

Mr. Zhou Xinhui, Chief Executive Officer, Mr. Xie Weizhi, Chief Financial Officer, Ms. Wang Xin, Manager of Financial Department of the Company during the quarter, hereby warrant that the financial statements contained in this quarterly report are true, accurate and complete.

Whether the first quarterly financial statements were audited

Yes No

I. KEY FINANCIAL DATA

1.1 Key Financial Data Prepared under CAS

(I) Key Financial Data and Financial Indicators

RMB Million

Items	This reporting period		Increase/ decrease as compared with the corresponding period of last year (%)
Revenue	97,711		7.50
Net profit attributable to equity shareholders of the Company	32,113		-6.38
Net profit after deducting non-recurring profit/loss items attributable to equity shareholders of the Company	31,460		-7.45
Net cash flows from operating activities	51,968		31.84
Basic earnings per share (RMB Yuan/share)	0.68		-11.69
Diluted earnings per share (RMB Yuan/share)	0.68		-11.69
Weighted average return on net assets (%)	5.25		Decreased by 1.64 percentage points
	At the end of this reporting period	At the end of last year	Increase/ decrease at the end of the reporting period compared with the end of last year (%)
Total assets	961,159	929,031	3.46
Equity attributable to equity shareholders of the Company	625,740	597,182	4.78

Note: “The reporting period” refers to the three-month period from the beginning of the quarter to the end of the quarter, the same below.

(II) Non-recurring profit/loss items

RMB Million

Items	Amount for this reporting period
Gain or loss on disposal of non-current assets	2
Government grants included in profit or loss (excluding those that are closely related to the normal operations of the Company and granted in compliance with national policies and regulations or subject to fixed amounts or fixed quantity under certain standards)	16
Gain or loss on changes in fair value from disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and investment income from disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other debt investment, except for effective hedging transactions that are closely related to the Company's normal operation	928
Reversal of impairment provisions on receivables and contract assets tested for impairment individually	3
Other non-operating income and expenses	-94
Less: Impact of income tax	202
Total	653

Information on the classification of non-recurring profit or loss items listed in “Explanatory Announcement No. 1 on Disclosure of Information by Companies with Publicly Issued Securities – Non-recurring Profit or Loss” as recurring profit or loss items

Applicable Not applicable

(III) Changes in Key Accounting Data and Financial Indicators and Reasons for Such Changes

Applicable Not applicable

Items	Change (%)	Main reason
Net cash flow from operating activities	31.84	The increase in oil and gas sales cash inflows which impacted by cash collection from oil and gas sales

1.2 Differences between domestic and overseas accounting standards

There is no difference between the key accounting data and financial indicators prepared under the International Financial Reporting Standards/Hong Kong Financial Reporting Standards and the data in 1.1(I) Key Financial Data and Financial Indicators prepared under the Chinese Accounting Standards.

1.3 Income, Capital Expenditures and Realised Prices

RMB Million

(Unaudited)	Three-month period ended 31 March (January to March)		
	2023	2022	Increase/ decrease as compared with the corresponding period of last year (%)
Revenue	97,711	90,898	7.5
Oil and Gas Sales	74,196	82,380	-9.9
Including: Crude and liquids	63,283	73,277	-13.6
Natural gas	10,913	9,103	19.9
Capital Expenditures*			
Exploration	4,919	3,876	26.9
Development	15,804	8,873	78.1
Production	3,863	4,016	-3.8
Others	151	166	-9.3
Total	24,736	16,931	46.1
Average Realised Price			
Crude and liquids (US\$/barrel)	74.17	97.47	-23.9
Natural gas (US\$/mcf)	8.33	8.35	-0.2

* Capitalised interests were not included. Capitalised interests for Q1 2023 and Q1 2022 were RMB575 million and RMB460 million, respectively.

II. INFORMATION OF SHAREHOLDERS

(I) Total Number of Ordinary Shareholders and Number of Preferred Shareholders with Restored Voting Rights and Shareholdings of the Top Ten Shareholders

Share

Total number of ordinary shareholders at the end of the reporting period	170,611	Total number of preferred shareholders with restored voting rights at the end of the reporting period (if any)	N/A			
Shareholdings of the top ten shareholders						
Name of shareholders	Nature of shareholder	Number of shares held	Percentage of Shareholdings (%)	Number of shares with selling restrictions	Pledged, marked or frozen shares	
					Condition of shares	Number of shares
CNOOC (BVI) Limited	State-owned legal person	28,772,727,268	60.49	-	None	0
HKSCC Nominees Limited	Other	15,698,495,698	33.00	-	Unknown	0
China State-owned Enterprises Mixed Ownership Reform Fund Co., Ltd. (中國國有企業混合所有制改革基金有限公司)	State-owned legal person	231,481,481	0.49	231,481,481	None	0
China National Petroleum Corporation	State-owned legal person	185,185,185	0.39	185,185,185	None	0
Sinopec Group Asset Management Co., Ltd.	State-owned legal person	185,185,185	0.39	185,185,185	None	0
Guoxin Development Investment Management Company Limited (國新發展投資管理有限公司)	State-owned legal person	138,888,888	0.29	138,888,888	None	0
Guoxin Investment Co., Ltd.	State-owned legal person	92,709,592	0.19	92,592,592	None	0
China National Aviation Fuel Group Limited	State-owned legal person	92,592,592	0.19	92,592,592	None	0
China Life Insurance Company Limited-Traditional-General Insurance Products-005L-CT001 Hu	Other	73,579,168	0.15	46,296,296	None	0
China Energy Capital Holdings Co., Ltd.	State-owned legal person	73,148,148	0.15	73,148,148	None	0

Shareholdings of the top ten shareholders with non-restricted conditions of sale			
Name of shareholders	Number of circulating shares without restricted conditions of sale held	Class and number of shares	
		Class of shares	Number
CNOOC (BVI) Limited	28,772,727,268	Overseas listed foreign shares	28,772,727,268
HKSCC Nominees Limited	15,698,495,698	Overseas listed foreign shares	15,698,495,698
National Social Security Fund – 109 Portfolio	73,126,759	RMB ordinary shares	73,126,759
National Social Security Fund – 113 Portfolio	34,198,247	RMB ordinary shares	34,198,247
Industrial and Commercial Bank of China Limited – Fullgoal Tianhui Select Hybrid Growth Securities Investment Fund (LOF)	30,000,000	RMB ordinary shares	30,000,000
China Life Insurance Company Limited-Traditional-General Insurance Products-005L-CT001 Hu	27,282,872	RMB ordinary shares	27,282,872
National Social Security Fund – 802 Portfolio	24,385,807	RMB ordinary shares	24,385,807
Bank of Beijing Co., Ltd. – Invesco Great Wall Jingyi Dual Return Bond Securities Investment Fund	21,234,780	RMB ordinary shares	21,234,780
National Social Security Fund – 114 Portfolio	19,093,214	RMB ordinary shares	19,093,214
China Minsheng Banking Corporation Limited – Essence Steady Value-added Flexible Allocation Hybrid Securities Investment Fund	16,910,026	RMB ordinary shares	16,910,026
Description of the connected relationships or action in concert between the above shareholders	<ol style="list-style-type: none"> Among the top ten shareholders and top ten shareholders with non-restricted conditions of sale, CNOOC (BVI) Limited is the controlling shareholder of the Company. Both Guoxin Development Investment Management Company Limited (國新發展投資管理有限公司) and Guoxin Investment Co., Ltd. are wholly-owned subsidiaries of China Reform Holdings Corporation Ltd. Save as aforesaid, the Company is not aware of any connected relationship or acting-in-concert relationship among the other top ten shareholders and top ten shareholders with non-restricted conditions for sale. The Personal Data (Privacy) Ordinance of Hong Kong, China stipulates that the collection of personal data shall explain to the data subject whether the collection of data is necessary. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited does not require the disclosure of individual shareholder information with a shareholding of less than 5%. Based on the aforementioned provisions of the personal data (Privacy) Ordinance, the Company did not disclose the shareholdings of the Hong Kong shareholders whose remaining shareholdings were less than 5%. Hong Kong Securities Clearing (Agent) Limited (“HKSCC Nominees Limited”) is a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited. It holds Hong Kong shares of the Company on behalf of other companies or individual shareholders as an agent. 		
Explanation of the top ten shareholders and the top ten shareholders not subject to trading moratorium engaging in the margin trading and short selling and refinancing business (if any)	N/A		

Note: As of the end of the reporting period, the 170,611 holders of ordinary shares comprise 168,905 A shareholders and 1,706 Hong Kong shareholders.

III. BUSINESS REVIEW

Other important information on the Company's operation during the reporting period that needs to be brought to the attention of investors

Applicable Not applicable

In the first quarter of 2023, China's economic recovery gained momentum gradually, with gross domestic product (GDP) growing 4.5% year on year. International oil prices fluctuated with downward trend, the average price of Brent was US\$82.16 per barrel, representing a decrease of 16.1% year over year ("YoY"). The Company continued to increase its efforts and achieved positive results in increasing reserves and production and improving quality and efficiency. The Company achieved steady growth in net oil and gas production and further consolidated its cost competitiveness.

The Company achieved a total net production of 163.9 million barrels of oil equivalent ("BOE") for the first quarter in 2023, representing an increase of 8.6% year over year. Production from China increased by 5.5% YoY to 115.3 million BOE, mainly due to the contribution from new projects; the net production from overseas increased by 16.6% YoY to 48.6 million BOE, mainly attributable to the production growth from Guyana and Brazil.

For the first quarter in 2023, the Company made two new discoveries and successfully appraised six oil and gas structures. New projects scheduled to come on stream during the year progressed well.

The unaudited oil and gas sales revenue of the Company reached approximately RMB74.20 billion for the first quarter in 2023, representing a decrease of 9.9% YoY, mainly due to the lower realised prices and higher sales volume. Net profit attributable to equity shareholders of the Company amounted to RMB32.11 billion, representing a decrease of 6.4% YoY. All-in cost was US\$28.22 per BOE, representing a decrease of 7.7% YoY. During the quarter, the Company's average realised oil price decreased by 23.9% YoY to US\$74.17 per barrel. The Company's average realised gas price was US\$8.33 per thousand cubic feet, almost flat YoY.

For the first quarter in 2023, the Company's capital expenditures amounted to approximately RMB24.74 billion, increased by 46.1% YoY as a result of increasing workloads of exploration wells and projects under construction. During the period, the Company performed well in health, safety and environmental protection.

First Quarter Net Production Summary (Unaudited)

	Q1 2023			Q1 2022		
	Crude and Liquids	Natural Gas	Total	Crude and Liquids	Natural Gas	Total
	(mmbbls)	(bcf)	(mm BOE)	(mmbbls)	(bcf)	(mm BOE)
China						
Bohai	50.1	16.9	52.9	47.6	15.6	50.2
Western South China Sea	10.1	61.4	20.7	10.4	58.7	20.5
Eastern South China Sea	28.0	37.9	34.3	26.5	38.9	33.0
East China Sea	0.6	13.2	2.8	0.7	7.2	1.9
Onshore	–	27.1	4.5	–	21.7	3.6
Subtotal	88.8	156.6	115.3	85.2	142.2	109.3
Overseas						
Asia (excluding China)	3.9	16.2	6.8	4.0	10.8	5.9
Oceania	0.3	9.2	2.1	0.2	6.1	1.4
Africa	4.5	1.7	4.8	7.6	1.6	7.9
North America (excluding Canada)	5.0	9.8	6.7	5.5	10.2	7.2
Canada	7.5	–	7.5	5.7	–	5.7
South America	15.3	13.8	17.6	7.2	12.6	9.4
Europe	3.1	0.3	3.2	4.2	0.5	4.3
Subtotal	39.6	51.0	48.6	34.4	41.8	41.7
Total*	128.4	207.5	163.9	119.6	184.0	151.0

* Including our interest in investees on equity method, which is approximately 5.2 mmboe in Q1 2023 and approximately 4.9 mmboe in Q1 2022.

IV. QUARTERLY FINANCIAL STATEMENTS

(I) Type of Audit Opinion

Applicable Not applicable

(II) Financial Statements

Consolidated Balance Sheet

31 March 2023

Prepared by: CNOOC Limited

RMB million Unaudited

Item	31 March 2023	31 December 2022
Current assets:		
Cash at bank and on hand	142,271	121,387
Financial assets held for trading	93,199	88,209
Derivative financial instruments	31	30
Trade receivables	38,360	36,546
Financing receivable	1,673	1,446
Prepayments	3,522	3,115
Other receivables	3,978	4,942
Including: Interest receivable		
Dividends receivable		54
Inventories	6,815	6,239
Other current assets	2,436	2,765
Total current assets	292,285	264,679
Non-current assets:		
Debt investment	6,591	5,975
Long-term equity investments	48,908	48,927
Other equity instruments investments	928	1,075
Other non-current financial assets	6,089	6,026
Fixed assets	6,559	6,652
Construction in progress	1,569	1,436
Oil and gas properties	529,459	524,631
Right-of-use assets	8,093	8,459
Intangible assets	3,667	3,798
Goodwill	14,612	14,809
Long-term prepaid expenses	521	516
Deferred tax assets	29,525	29,885
Other non-current assets	12,353	12,163
Total non-current assets	668,874	664,352
Total assets	961,159	929,031

Item	31 March 2023	31 December 2022
Current liabilities:		
Short-term borrowings	4,314	4,303
Derivative financial instruments	81	32
Trade payables	62,341	59,789
Contract liabilities	2,431	1,691
Employee benefits payable	2,259	2,246
Taxes payable	15,760	16,513
Other payables	10,443	8,430
Non-current liabilities due within one year	20,600	20,387
Total current liabilities	118,229	113,391
Non-current liabilities:		
Long-term borrowings	11,191	11,287
Bond payable	90,250	91,858
Lease liabilities	6,233	6,561
Long-term payable	6,813	6,917
Provision	87,754	87,042
Deferred tax liabilities	10,387	10,271
Other non-current liabilities	3,365	3,321
Total non-current liabilities	215,993	217,257
Total liabilities	334,222	330,648
Shareholders' equity:		
Share capital	75,180	75,180
Capital reserve	2,854	2,854
Other comprehensive income	-3,406	154
Special reserve	14	9
Surplus reserves	70,000	70,000
Retained earnings	481,098	448,985
Equity attributable to equity shareholders of the Company	625,740	597,182
Non-controlling interests	1,197	1,201
Total shareholders' equity	626,937	598,383
Total liabilities and shareholders' equity	961,159	929,031

Chief Executive Officer: Zhou Xinhuai Chief Financial Officer: Xie Weizhi Manager of Financial Department: Wang Xin

Consolidated Income Statement

January to March 2023

Prepared by: CNOOC Limited

RMB million Unaudited

Item	Q1 2023	Q1 2022
I. Total revenue	97,711	90,898
Including: Revenue	97,711	90,898
II. Total costs of sales	55,891	45,014
Including: Costs of sales	49,627	37,831
Taxes and surcharges	3,764	4,269
Selling expenses	874	770
General and administrative expenses	1,324	1,236
Research and development expenses	351	225
Finance expenses	-49	683
Including: Interest expenses	791	823
Interest income	1,076	393
Add: Other income	99	88
Investment income (“-” for losses)	874	39
Including: Income from investment in associates and joint ventures (“-” for losses)	499	-446
Gains on fair value change (“-” for losses)	553	-57
Credit reversal (“-” for losses)	3	1
Asset impairment losses (“-” for losses)	-4	-4
Gains on disposal of assets (“-” for losses)	2	3
III. Operating profit	43,347	45,954
Add: Non-operating income	27	40
Less: Non-operating expenses	105	68
IV. Profit before income tax	43,269	45,926
Less: Income tax expenses	11,160	11,626

Item	Q1 2023	Q1 2022
V. Net profit	32,109	34,300
(I) Classification by the continuity of operation		
1. Net profit from continuous operations	32,109	34,300
2. Net profit from discontinued operations		
(II) Classification by ownership		
1. Net profit attributable to equity shareholders of the Company	32,113	34,301
2. Non-controlling interests (“-” for net losses)	-4	-1
VI. Other comprehensive income, net of tax	-3,560	18
(I) Other comprehensive income attributable to equity shareholders of the Company, net of tax	-3,560	18
1. Items that may not be reclassified to profit or loss	-123	1,174
(1) Change on remeasurement of defined benefit plan		
(2) Other comprehensive income under equity method that may not be transferred to profit or loss	10	
(3) Change in fair value of other equity instruments investments	-133	1,174
(4) Change in fair value of enterprise’s own credit risk		
2. Items that will be reclassified subsequently to profit or loss	-3,437	-1,156
(1) Other comprehensive income under equity method that may be transferred to profit or loss	3	5
(2) Change in fair value of other debt investment		
(3) Amount included in other comprehensive income upon reclassification of financial assets		
(4) Credit impairment provision for other debt investment		
(5) Cash flow hedge reserve	-62	-120
(6) Exchange differences on translation of foreign operations	-3,378	-1,041
(II) Other comprehensive income attributable to non-controlling interests, net of tax		

Item	Q1 2023	Q1 2022
VII. Total comprehensive income	28,549	34,318
(1) Total comprehensive income attributable to equity shareholders of the Company	28,553	34,319
(2) Total comprehensive income attributable to non-controlling interests	-4	-1
VIII. Earnings per share:		
(1) Basic earnings per share (RMB Yuan/share)	0.68	0.77
(2) Diluted earnings per share (RMB Yuan/share)	0.68	0.77

Chief Executive Officer: Zhou Xinhuai Chief Financial Officer: Xie Weizhi Manager of Financial Department: Wang Xin

Consolidated Statement of Cash Flows

January to March 2023

Prepared by: CNOOC Limited

RMB million Unaudited

Item	Q1 2023	Q1 2022
I. Cash flows from operating activities:		
Cash received from the sales of goods or rendering of services	103,753	82,180
Refund of tax	55	114
Cash received from other operating activities	117	122
Subtotal of cash inflow from operating activities	103,925	82,416
Cash paid for goods and services	-26,730	-19,385
Cash paid to and on behalf of employees	-2,862	-2,710
Taxes paid	-22,361	-20,844
Cash paid for other operating activities	-4	-61
Subtotal of cash outflow from operating activities	-51,957	-43,000
Net cash flow from operating activities	51,968	39,416

Item	Q1 2023	Q1 2022
II. Cash flows from investing activities:		
Cash received from disposal of investments	23,117	21,122
Cash received from investment income	1,566	878
Net cash recovered from disposal of fixed, intangible and other long-term assets	4	
Subtotal of cash inflow from investing activities	24,687	22,000
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	-24,095	-15,219
Cash paid for acquisition of investments	-43,527	-28,000
Subtotal of cash outflow from investing activities	-67,622	-43,219
Net cash flow from investing activities	-42,935	-21,219
III. Cash flows from financing activities:		
Cash received as capital contributions		47
Including: Cash received from non-controlling interests' capital contribution to subsidiaries		47
Cash received from borrowings	75	47
Subtotal of cash inflow from financing activities	75	94
Cash paid for debt repayment	-993	-674
Cash paid for distribution of dividends or profits and payment of interest	-817	-1,283
Subtotal of cash outflow from financing activities	-1,810	-1,957
Net cash flow from financing activities	-1,735	-1,863
IV. Effect of foreign exchange rate changes, net	-331	-269
V. Net increase in cash and cash equivalents	6,967	16,065
Add: Cash and cash equivalents at beginning of the period	85,633	41,432
VI. Cash and cash equivalents at the end of the period	92,600	57,497

Chief Executive Officer: Zhou Xinhuai Chief Financial Officer: Xie Weizhi Manager of Financial Department: Wang Xin

(II) The new accounting standards will be implemented for the first time since 2023, and the relevant financial statements at the beginning of the year will be adjusted.

Applicable Not applicable

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

Hong Kong, 27 April 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 Xinhuai
Xia Qinglong

Independent Non-executive Directors
Chiu Sung Hong
Lawrence J. Lau
Tse Hau Yin, Aloysius
Qiu Zhi Zhong
Lin Boqiang