



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: 883)

ANNOUNCEMENT

The Board hereby announces certain selected unaudited key operational statistics of the Group for the first quarter of 2006 (ended 31 March 2006). The comparative statistics for the first quarter of 2005 (ended 31 March 2005) are also disclosed in this announcement.

The board of directors of CNOOC Limited (the “Company”) (the “Board”) hereby announces certain selected unaudited key operational statistics of the Company and its subsidiaries (the “Group”) for the first quarter of 2006 (ended 31 March 2006). The comparative statistics for the first quarter for 2005 (ended 31 March 2005) are also disclosed in this announcement.

The Company’s unaudited oil and gas revenue for the first quarter of 2006 amounted to RMB16.43 billion (equivalent to US\$2.039 billion), representing an increase of 43.8% when compared to the same period in 2005. The Company also achieved a total net daily production of 450,463 barrels of oil equivalent (BOE), an increase of 9.5% from the same period in 2005.

Net production by the Company offshore China experienced a growth of 11% in the first quarter of 2006 compared to the same quarter last year, reaching a level of 415,144 barrels of oil equivalent (BOE) per day. Crude oil and liquids production by the Company offshore China was 364,400 barrels per day. The increase of 11.2% in crude oil and liquids production was largely due to increases of production volume from Bohai Bay and Eastern South China Sea. Gas production offshore China was 293 million cubic feet per day, representing an increase of 9.9%.

Total unaudited revenues were RMB16.66 billion (equivalent to US\$2.068 billion) for the first quarter of 2006, representing an increase of 45.1% when compared to the same period in 2005. This revenue growth was largely due to increases of net production volume and higher realized oil and gas prices. The realized crude oil price in the first quarter of 2006 was US\$58.13 per barrel.

The Company’s development capital expenditure increased 10.1% to RMB3,292.9 million (equivalent to US\$408.7 million) in the first quarter of 2006, as a result of successful development activities announced at the beginning of this year, while exploration capital expenditures increased 23.7% to RMB426.6 million (equivalent to US\$52.9 million) as a result of intensified exploration activities. In the first quarter of 2006, the Company made three new discoveries offshore China: South BZ28-2S, BZ29-4 and QK18-2E. BZ28-2S is likely to be one of the most significant discoveries offshore China in the recent years.

The Company also made great progress in its overseas business development. During this period, the Company acquired a 45% working interest in Nigeria OML 130 and 35% working interest in OPL 229, and also signed PSC with GEPetrol in relation to Block S in Equatorial Guinea. In addition, the Company also acquired a 25% interest in four blocks of Outer Browse in Australia.

First Quarter and Year-to-Date Production Summary

	2005		2006	
	Q1	YTD	Q1	YTD
Crude Oil & Liquids (b/d)				
Bohai Bay	162,420	162,420	200,473	200,473
Western South China Sea	54,146	54,146	45,820	45,820
Eastern South China Sea	109,037	109,037	116,474	116,474
East China Sea	2,152	2,152	1,634	1,634
Overseas	23,824	23,824	19,119	19,119
Subtotal (b/d)	<u>351,579</u>	<u>351,579</u>	<u>383,519</u>	<u>383,519</u>
Natural Gas (mmcf/d)				
Bohai Bay	51	51	65	65
Western South China Sea	196	196	199	199
Eastern South China Sea	0	0	9	9
East China Sea	19	19	20	20
Overseas	82	82	97	97
Subtotal (mmcf/d)	<u>348</u>	<u>348</u>	<u>390</u>	<u>390</u>
Total Production (boe/d)	<u>411,424</u>	<u>411,424</u>	<u>450,463</u>	<u>450,463</u>

First Quarter and Year-to-Date Revenue and Expenditure (Unaudited)

	RMB millions				US\$ millions			
	2005		2006		2005		2006	
	Q1	YTD	Q1	YTD	Q1	YTD	Q1	YTD
Sales Revenue								
Crude oil and liquids	10,727.2	10,727.2	15,616.3	15,616.3	1,296.1	1,296.1	1,938.1	1,938.1
Natural gas	696.8	696.8	816.0	816.0	84.2	84.2	101.3	101.3
Marketing Revenue, net	37.5	37.5	120.9	120.9	4.5	4.5	15.0	15.0
Others	21.3	21.3	106.8	106.8	2.6	2.6	13.3	13.3
Total	<u>11,482.8</u>	<u>11,482.8</u>	<u>16,660.0</u>	<u>16,660.0</u>	<u>1,387.4</u>	<u>1,387.4</u>	<u>2,067.6</u>	<u>2,067.6</u>
Capital Expenditures								
Exploration	344.9	344.9	426.6	426.6	41.7	41.7	52.9	52.9
Development	2,991.9	2,991.9	3,292.9	3,292.9	361.5	361.5	408.7	408.7
Total	<u>3,336.8</u>	<u>3,336.8</u>	<u>3,719.5</u>	<u>3,719.5</u>	<u>403.2</u>	<u>403.2</u>	<u>461.6</u>	<u>461.6</u>

For the purpose of this announcement, unless otherwise indicated, an exchange rate of US\$1 = RMB8.0575 has been used for the first quarter of 2006, and an exchange rate of US\$1 = RMB8.2765 has been used for the first quarter of 2005, where applicable, for purpose of illustration only and does not constitute a representation that any amount have been, could have been or may be exchanged.

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

Executive Directors

Fu Chengyu (*Chairman*)
Luo Han
Zhou Shouwei
Cao Xinghe
Wu Zhenfang
Wu Guangqi
Yang Hua

Independent non-executive Directors:

Sung Hong Chiu
Kenneth S. Courtis
Evert Henkes
Tse Hau Yin, Aloysius
Lawrence J. Lau

By Order of the Board
CNOOC Limited
Victor Zhikai Gao
Company Secretary

Hong Kong, 25 April 2006

Please also refer to the published version of this announcement in South China Morning Post.