



2014

CNOOC Limited
Social Responsibility Report





REPORT INFORMATION

Name of organization: CNOOC Limited (the “Company”, “CNOOC Limited” or “We”)

Reporting period: 2014. The report may include information after the reporting period to keep the information consistent.

Scope of the Report: CNOOC Limited and its subsidiaries.

Content of the Report: Vision and commitments of the Company’s Corporate Social Responsibility (“CSR”), the common practices and other key achievements in the course of performing CSR.

Reporting Language: English and Chinese (should there be any discrepancies, please refer to Chinese version.)

Reference: This report refers to the 10 Principles of UN Global Compact, the Sustainability Reporting Guidelines published by the Global Reporting Initiative (GRI) and Environmental, Social and Governance Reporting Guide published by The Stock Exchange of Hong Kong Limited.

An electronic version of this report is available via the Company’s website at <http://www.cnooltd.com> and a hard copy is available upon request.

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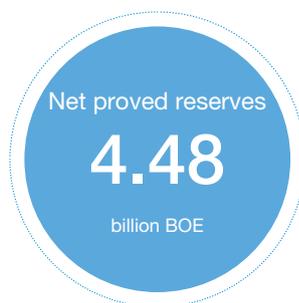
ABOUT US

CNOOC Limited (the “Company” or “we”), incorporated in the Hong Kong Special Administration Region in August 1999, was listed on the New York Stock Exchange (code: CEO) and The Stock Exchange of Hong Kong Limited (code: 00883) on 27 and 28 February 2001, respectively. The Company was admitted as a constituent stock of the Hang Seng Index in July 2001. The Company’s American Depositary Receipts (“ADRs”) was listed on the Toronto Stock Exchange (code: CNU) on 18 September 2013.

The Company is the largest producer of offshore crude oil and natural gas in China and one of the largest independent oil and gas exploration and production companies in the world. The Company mainly engages in exploration, development, production and sale of crude oil and natural gas.

The Company’s core operation areas are Bohai, Western South China Sea, Eastern South China Sea and East China Sea in offshore China. Overseas, the Company has oil and gas assets in Asia, Africa, North America, South America, Oceania and Europe.

As at December 31 2014, the Company owned net proved reserves of approximately 4.48 billion BOE, and its average daily net production was 1,184,977 BOE. The Company had total assets of approximately RMB662.86 billion.



CHAIRMAN'S STATEMENT

The past year was filled with formidable challenges for CNOOC Limited. Globally, economic growth slowed while China's economy entered a "New Normal". International oil prices also plunged dramatically, declining by more than 50% by the end of the year. This plummet strongly affected the oil industry all over the world.

Despite facing such a complex external environment, the Company strengthened our confidence, rallied our teams and made solid progress in all areas of our business. At the same time, we did not overlook our commitment to provide sustainable and clean energy, while also fulfilling our social responsibilities.

In 2014, we continued our efforts to achieve harmonious progress among enterprises, communities, individuals and the environment, in terms of our energy supply, safe production, environmental protection and public welfare undertakings. The Company's fulfilment of its social responsibilities was recognized in the market, as evidenced by receiving "2014 Best CSR" award presented by *Corporate Governance Asia*.

Under the guidance of its "New Leap Forward" blueprint during 2014, CNOOC Limited continued to focus on building its core competitiveness to realize its long-term sustainable development. The Company delivered stable production and operations throughout the year, achieved several exploration breakthroughs and brought more than 10 new projects on stream. These accomplishments, together with our net proven reserves of 4.48 billion barrels of oil equivalent, laid the resource foundation for our medium to long-term development.

In terms of operational safety, the Company made sustained efforts to improve our safety and environmental protection system, and strengthen the management of overseas safety and environmental protection. During the period, the Company's overall safety and environmental protection performance remained stable, and our Occupational Safety and Health



Administration (OSHA) statistics remained at above average levels compared with other international oil companies. The OSHA indicators for Nexen also achieved the best record in its history.

The growth of the global economy and of the global population in recent years has exacerbated pressing environmental problems. As a responsible energy company, CNOOC Limited has been proactive in dealing with energy conservation, emissions reduction as well as global warming. In 2014, the Company implemented its “Energy Saving, Environmental Friendly, Green Energy and Low Carbon” concept, and undertook a series of measures to improve its capabilities in environmental protection management and execution. These measures include the whole-process management of environmental protection, continuous input into projects of energy saving and emissions reduction, and initiatives to reduce greenhouse gas emissions.

As a corporate citizen with operations across the world, CNOOC Limited believes delivering benefits to the regions where we operate is a key responsibility. We hope that our active participation in public-welfare undertakings, such as supporting local education, disaster relief and poverty relief efforts as well as providing medical assistance and building infrastructure, will effectively drive local economic and social development, and improve living conditions.

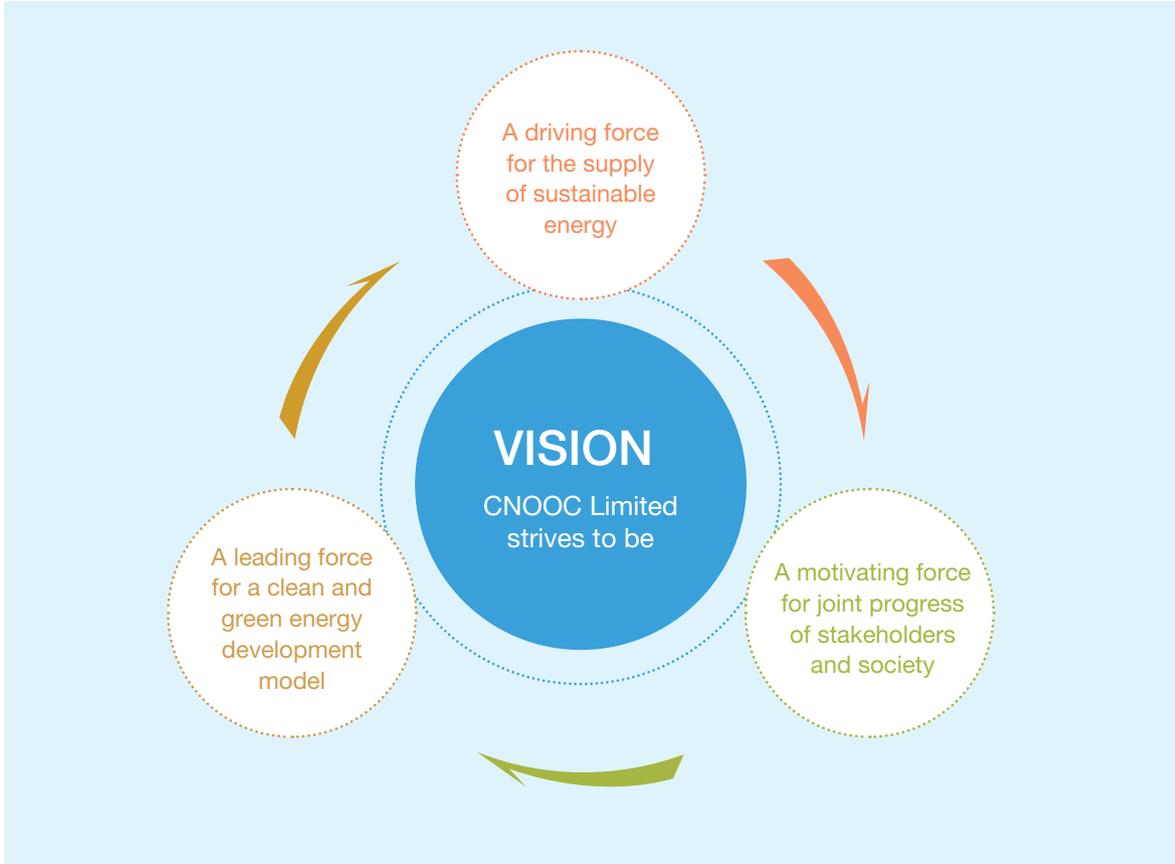
The Company has always upheld and attained high standards of corporate governance. Its transparency and governance standards have received the endorsement of both shareholders and the general public. In 2014, the Company was awarded the “ICON on Corporate Governance” by *Corporate Governance Asia* and received the platinum award of “2014 Excellence in Management and Corporate Governance awards” by *The Asset*.

However, we cannot rest on our laurels. Over the years, CNOOC Limited has consistently upheld corporate responsibility as a cornerstone of its corporate management and enterprise culture, to promote the coordinated development of the economy, society and the environment. We will continue to strengthen our efforts to ensure the sustainable growth of the economy, and to achieve the harmonious development of enterprises, communities, individuals and the environment.



WANG Yilin
Chairman
April 2015

VISION AND COMMITMENTS



Commitments

CNOOC Limited is committed to

- Pursuing sustainable growth and enhancing energy supply capability;
- Operating in compliance with laws and regulations and adhering to a high standard of business ethics and corporate governance;
- Developing resources in a safe and environmental friendly way and responding actively to climate change;
- Proactively participating in community building activities and contributing to public welfare;
- Respecting the rights and interests of stakeholders and pursuing win-win situations.

STAKEHOLDERS

We believe that the growth of the Company is inseparable from the trust and support of our stakeholders. During its development process, the Company valued communications with its stakeholders through a fair and transparent environment so we could fully understand their expectations and requests while seeking to achieve a mutually beneficial outcome.

The stakeholders are primarily the following

Shareholders and creditors, employees and employee organizations, governments and regulatory authorities, business partners and service providers, the public and communities, charities and non-government organizations (NGOs) and clients.

Communication Report with Key Stakeholders

Stakeholders	Main Communication Methods	Main Focuses	Major Actions and Measures	Key Indicators
 Shareholders and creditors	<ul style="list-style-type: none"> Scheduled information disclosure Regular communications Annual General Meeting (AGM) and Extraordinary General Meeting (EGM) 	<ul style="list-style-type: none"> Protect interests of shareholders and creditors 	<ul style="list-style-type: none"> Ensure quality and effectiveness of information disclosure Maintain regular dialogue Improve communication 	<ul style="list-style-type: none"> Return on equity Return on capital employed Payout ratio
 Employees and employee organizations	<ul style="list-style-type: none"> Meetings with employee representatives Regular communications Internal information exchange Complaints 	<ul style="list-style-type: none"> Rights and interests Career development Occupational health and safety 	<ul style="list-style-type: none"> Support employees to join labor unions or other employee organizations Employee training and technical training Provide occupational health check-ups Improve communication 	<ul style="list-style-type: none"> Number of employees and employee distribution Employee training frequency Employee turnover rate OSHA statistics
 Governments	<ul style="list-style-type: none"> Follow up on and ensure compliance with laws and regulations Report on specific matters Routine inspections Participation in the discussion and handling of industry-related issues 	<ul style="list-style-type: none"> Operate in compliance with laws and regulations Properly utilize and develop natural resources Economic contribution 	<ul style="list-style-type: none"> Ensure compliance with all applicable laws and regulations Fulfill tax payment obligations Share industry expertise for further development Improve communication 	<ul style="list-style-type: none"> Number of violations reported Tax payment Safety and environmental performance
 Regulatory authorities	<ul style="list-style-type: none"> Follow up and implement laws and regulations Respond to enquiries Regular communications 	<ul style="list-style-type: none"> Operation in compliance with laws and regulations Protection of shareholders' rights and interests Corporate governance 	<ul style="list-style-type: none"> Ensure quality of information disclosure Enhance corporate governance Improve communication 	<ul style="list-style-type: none"> Disclose information timely and accurately
 Business partners and service providers	<ul style="list-style-type: none"> Business negotiations Project cooperation Business communications 	<ul style="list-style-type: none"> Stable cooperative relationships Knowledge and information resource sharing Mutual benefits 	<ul style="list-style-type: none"> Promote win-win philosophy Encourage experience, resources and technology sharing Improve communication 	<ul style="list-style-type: none"> Partners' feedback Contracts' execution capability
 Public	<ul style="list-style-type: none"> Information disclosure Public relations Response to the public enquiries 	<ul style="list-style-type: none"> Stable energy supply Environmental protection Good corporate image 	<ul style="list-style-type: none"> Improve oil and gas supply capability Participate in public welfare activities Publish CSR reports Improve communication 	<ul style="list-style-type: none"> Public opinion Corporate image Contribution to public welfare
 Communities	<ul style="list-style-type: none"> Community visits and survey Support for community building activities Participation in public welfare projects 	<ul style="list-style-type: none"> Environmental protection for the community Building harmonious community 	<ul style="list-style-type: none"> Ensure high standards on public welfare Support community construction Engage in public welfare activities Enhance communication 	<ul style="list-style-type: none"> Community evaluations Input in public welfare projects
 Charities and NGOs	<ul style="list-style-type: none"> Participation in designated projects Response to enquiries Regular communications 	<ul style="list-style-type: none"> Social responsibility undertakings 	<ul style="list-style-type: none"> Contribute corporate experiences Participate in relevant activities Enhance communication 	<ul style="list-style-type: none"> Response rate on enquiries Participation status
 Clients	<ul style="list-style-type: none"> Business negotiations Client services Client visits and survey Regular communications 	<ul style="list-style-type: none"> Service, price and quality Complaint handling 	<ul style="list-style-type: none"> Promote win-win philosophy Enhance communication 	<ul style="list-style-type: none"> Satisfactory reports



ENERGY SUPPLY

As a responsible energy company, CNOOC Limited is committed to boosting its energy supply, meeting society's energy demand, and contributing to the harmonious development of the economy, society and the environment.

Oil and Gas Exploration and Development

As at the end of 2014, the Company's net proven reserves reached approximately 4.48 billion BOE. The net production of oil and gas of the Company was 432.5 million BOE, meeting the target set at the beginning of the year.

Benefitting from the Company's innovations in "thinking outside the box", technology and management, exploration breakthroughs were achieved both offshore China and overseas. The Company made 20 new commercial discoveries and appraised 18 oil and gas structures successfully. In Western South China Sea, the Company made a major deepwater natural gas discovery – Lingshui 17-2, representing a breakthrough in our independent deepwater exploration. In Bohai, we made several mid-to-large sized oil discoveries including Luda 21-2 and Jinzhou 23-2, reinforcing the dominant position of Bohai. We also made an important natural gas discovery in East China Sea, namely Ningbo 22-1. We achieved several exploration successes overseas, with new discoveries in the U.S. Gulf of Mexico, Uganda and the UK North Sea.

2014 was an important year for the Company's new oil and gas projects, with 13 projects commencing production. We brought most projects on stream ahead of schedule and under budget. Early this year, the first large-scale deepwater gas field – Liwan 3-1, successfully commenced production, signifying a breakthrough for the Company's deepwater oil and gas field development. Other projects that commenced production in succession during the year included Kenli 3-2 oilfields, Panyu 10-2/5/8, Enping 24-2 and Panyu 34-1/35-1/35-2 projects, injecting new vigor into the Company's



production growth. Following years of overseas development, the Company has essentially completed its global portfolio allocation.

Technological Advancement

In 2014, the Company remained committed to enhancing efficiency and reducing costs in oil and gas development through “new technologies, new processes and new methods”. The Company focused on major technologies which included exploration and development technology for deepwater oil and gas fields, offshore heavy oil fields and fields with low porosity and permeability, production enhancement at producing fields, offshore oil and gas fields regional development and marginal fields development, and development of high-temperature/ultra-pressure and high temperature/low-pressure gas fields in South China Sea, which leveraged the power of technology to boost reserves and production, reduce costs and improve efficiency. The Company achieved and commercialized a number of research results in 2014.

For the period of this report, “The Development and Application of Ultra-deepwater Semi-submersible Drilling Platform” and “The Critical Technology and Industrial Application of Offshore Drilling Riser pipe” were honored with the Special National Technological Progress Award of China and Second prize of National Technological Invention Award, respectively.

In addition, the Suizhong 36-1 phase I adjustment project was named one of the “100 Classic Projects during 35 Years of Reform and Opening Up of China” by the China Construction Industry Association. In 2014, the Company earned 322 patents, an increase of 27.8% over 2013.



CORPORATE GOVERNANCE

Governance Standards

Code of Ethics

Internal Control and Risk Management

Audit and Supervision

Anti-corruption Practice

01



Governance Standards

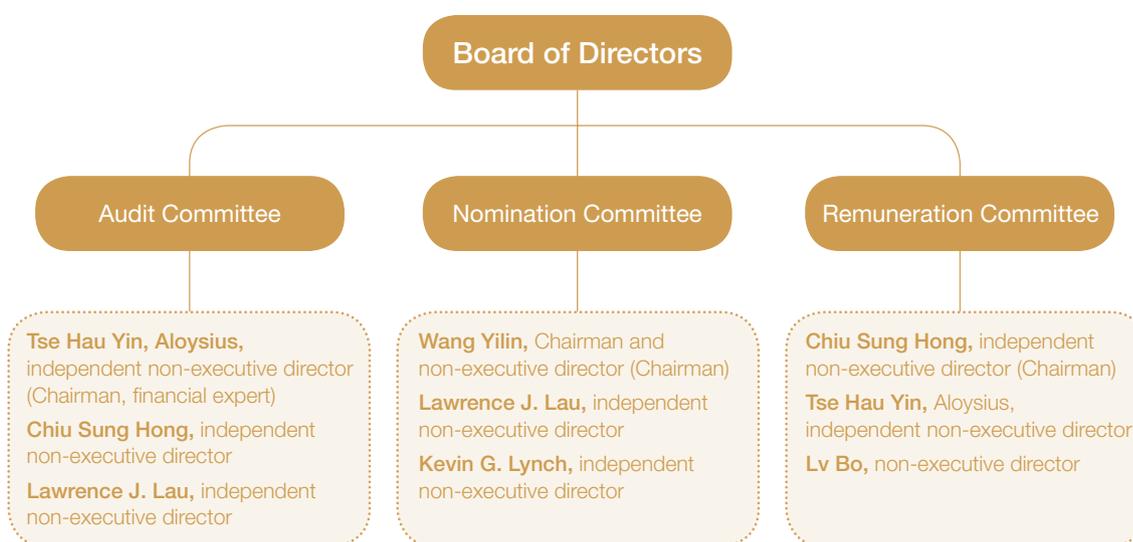
The Company has always upheld high standards in business ethics and its operational transparency and good corporate governance have been recognized by its shareholders and the public. We believe that maintaining the highest corporate governance standards is essential to the steady and efficient operation of the Company and serving the long-term interests of the Company and its shareholders.

In 2014, the Company executed its corporate governance policies in strict compliance with the Code on Corporate Governance Practices of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Company's adherence to these codes ensures that all decisions are made on the principles of trust and fairness and in a transparent manner to protect the interests of all shareholders.

The duties of the Board of Directors (the "Board") are to provide guidance, orientation and supervision over lawful and effective execution of the operations of the Company and to protect shareholders' interests, while safeguarding the healthy and steady development of the Company. Three committees have been set up under the Board, namely the Audit Committee, Nomination Committee and Remuneration Committee. Members of all committees are non-executive directors and independent non-executive directors with high degree of independence.

As at December 31 2014, the Board of the Company consisted of ten directors, including two executive directors, four non-executive directors and four independent non-executive directors. The resumes of all directors are shown in the annual reports of the Company and available at the Company's website at www.cnooc.com.

The effective management of the Board and the Committees further enhanced the governance standards of the Company. CNOOC Limited continued to receive recognition and awards from the market as a result of its excellent corporate governance standards. Moreover, the Company was shortlisted in several corporate governance contests organized by *Assets and Corporate Governance Asia*.



Organization Chart of the Board

Some changes were made to CNOOC Limited's Board of Directors in 2014, with Mr. Lv Bo, Mr. Zhang Jianwei, and Mr. Wang Jiaxiang acting as its non-executive directors from January 1, and Mr. Zhou Shouwei and Mr. Wu Zhenfang, no longer serving as non-executive directors. From March 1, Mr. Kevin G. Lynch will serve as an independent non-executive director while Mr. Wang Tao no longer holds this position. From 17 November, Mr. Zhang Jianwei resigned as a non-executive director of the Company.

Awards and Rankings in 2014

January	CNOOC Limited's acquisition of Nexen was awarded "Deal of the Year" by <i>FinanceAsia</i>
February	CNOOC Limited's acquisition of Nexen was awarded "Highly Commended Asian Deal of the Year 2013" by <i>Euromoney</i>
April	"2014 Best CSR" and "2014 Best Investor Relations Company" by <i>Corporate Governance Asia</i>
May	Ranked No.108 in "Global 2000 2014" by <i>Forbes</i>
July	Ranked No.79 in "Global 500 2014" by <i>Fortune</i>
October	"ICON on Corporate Governance" by <i>Corporate Governance Asia</i> Ranked No.12 at <i>Platts</i> "Top 250 Global Energy Company Ranking" Ranked No.1 at <i>Platts</i> "Top 250 Global Energy Company Rankings - Asian Exploration and Production" Ranked No.3 at <i>Platts</i> "Top 250 Global Energy Company Rankings In Asia"
December	"2014 Excellence in Management and Corporate Governance awards-Platinum" by <i>The Asset</i> "Best Listed Company - Investor Relations" in "China Securities Golden Bauhinia Awards" by <i>Takungpao</i>

Code of Ethics

In 2003, the Board of the Company approved a set of code of ethics ("Code of Ethics"). The Code of Ethics provides guidelines and requirements in the area of law and code of conduct in respect to supervisory rules, insider trading, market malpractice, conflict of interests, company opportunities, protection and proper use of the Company's assets as well as reporting requirements for the directors and senior management of the Company.

In order to enhance its standard of corporate governance, the Board of the Company discussed and updated the Code of Ethics in 2005. Ever since 2009, the Company has reviewed the Code of Ethics every year, and continues to revise it according to the latest governance requirements. All the senior management members and directors are required to familiarize themselves with and follow the Code of Ethics to ensure that the Company's operations are honest and legal. Any violation of the Code of Ethics will be penalized and serious breaches will result in dismissal.

Internal Control and Risk Management

Since the establishment of the Company, we have focused on maintaining and following strict internal control and risk management practices. The Company is well aware of the fact that the establishment of and maintaining an internal control and risk management system which coincides with the strategic goals of the Company and which suits the reality of the Company is the duty and mission of the management team.

The Company established the Risk Management Committee, directly managed by the Company's Chief Executive Officer. The Risk Management Committee is responsible for the organization and implementation of Enterprise Risk Management, the establishment of the objectives of risk management based on the Company's strategies, the assessment of key risks in major decisions, important events and key business processes, the review and approval of the response plan to major risks, and also the periodic submission of the risk management report to the Board.

The "Sarbanes-Oxley Act" promulgated in the U.S. in 2002 and the "Code on Corporate Governance Practices" issued by the Hong Kong Stock Exchange in 2004 impose stricter regulatory requirements on corporate governance and internal control. Such regulations not only represent regulatory requirements imposed by the market, but also motivate the Company to improve its management system and create value for its shareholders.

In terms of internal control, the Company introduced an internal control framework developed by the COSO Committee (“Committee of Sponsoring Organizations of the Treadway Commission”) of the United States, which established an internal control system and mechanism over finance and accounting, business operations and compliance. Such internal control systems have been continuously reviewed and evaluated to ensure timely, accurate and complete information disclosure. In 2013, COSO updated the original internal control framework and required the companies listed in the United States of America to formally adopt the framework from their 2014 annual reports onwards. As such, to comply with requirement, the Company complied with the updated COSO’s internal control framework in 2014 by implementing the 17 principles throughout the Company and its subsidiary units’ internal control infrastructure and operations. The Company consolidated the results of its annual risk assessment to improve control and ensure the Company’s internal control system remains effective.

In respect of risk management, the Company officially adopted the COSO-ERM framework in 2007 as the guidance for its risk management. The Company is continuously following new requirements and best practices of risk management and internal control areas in its countries of operation. The Company has made an important reference to the “Basic Standard for Enterprise Internal Control” and its ancillary guidelines issued by PRC regulatory authorities, and ISO 31000:2009 “Risk Management – Principles and Guidelines” in order to ensure that all key risks of the Company are sufficiently attended to, monitored and addressed.

As a company listed in Hong Kong, the US, and Canada, CNOOC Limited will abide by all supervisory rules, and continue to improve its internal control and risk management system to ensure a prospective future for the Company.

Audit and Supervision

In order to strengthen monitoring of corporate risks and the internal control system, the Company has set up an internal audit-based monitoring system, by combining the internal audit management system, financial information safeguarding system and anti-corruption supervision system into a comprehensive supervisory management system.



Based on the requirements of corporate governance and following the relatively independent principles of internal audit, an audit monitoring management system was established. It has been determined that the Compliance Officer of the Company will lead the audit monitoring work. Based on the periodic independent audit appraisals of all subsidiaries, prepared by internal audit personnel, the Compliance Officer of the Company is responsible for reporting directly to the Audit Committee and the Management of the Company. This forms a vertically integrated reporting system for "Audit departments of the branches, subsidiaries – Audit and Supervision Department – Compliance Officer – Audit Committee".

With the development of overseas business, the Company's internal control and risk management of overseas assets are increasingly prominent. The company will trace and audit the operational performance of its overseas assets, with comprehensive consideration of risk valuation results, management focuses as well as significant cases in production and operation management, to be able to carry out audit work to its overseas assets.

Vertically-integrated Reporting System



Financial Control Complaints: Reporting Channel and Handling

CNOOC Limited and its subsidiaries have set up full-time and part-time organizations and positions in charge of handling various complaints and grievances. Anyone can make reports, allegations and grievances about violations and breaches of rules to the management, compliance monitoring personnel, legal advisers, internal audit department or other relevant departments of the subsidiaries by letter, in person, telephone, email, etc. We have posted the related channels on the official website of the Company.

With the continuous expansion of its overseas business, the functional integration of its internal audit departments, organizational restructuring of CNOOC International Limited, as well as the integration of Nexen, CNOOC Limited updated its complaints system for financial control and appointed several complaint officers.

The above financial control complaints and other grievances and complaints will be handled and filed in accordance with the Complaint and Grievance Administrative Measures of CNOOC Limited, as well as the Procedures of CNOOC Limited for Financial Control Complaints, and will be reported to the Audit Committee of the Company periodically in order to ensure that all individual reports are given proper attention and major weaknesses in the system can be reported to the Audit Committee directly.

Anti-corruption Practice

CNOOC Limited stresses the importance of maintaining high ethical standards among all employees. In order to strengthen internal management of the Company, enhance the self-discipline of employees, and guarantee that operational activities of the Company are carried out without violating business ethics, CNOOC Limited released and implemented Code of Commercial Behavior and Conduct of Employees of CNOOC Limited, as well as the Procedures for Handling Violation of Rules of CNOOC Limited Employees and Guidelines for Overseas Operation with Compliance of CNOOC Limited to place an effective system in place to deter and prevent fraudulent practices.

The Code of Commercial Behavior and Conduct of Employees provides clear guidelines or standards which employees should abide by at work. The Code aims to prevent misconduct by fostering behaviors that are in strict compliance with all applicable laws and regulations, and honest and ethical business practices so as to avoid conflicts of interest.

The above procedures for handling violation of rules and guidelines include detailed provisions for behaviors that violate the relevant laws and regulations of the state and the articles of association of the Company. These include violations of the rules of production and operation management, as well as violations involving financial discipline, corruption and bribery.



SAFETY AND ENVIRONMENTAL PROTECTION

HSE Philosophy

Management System

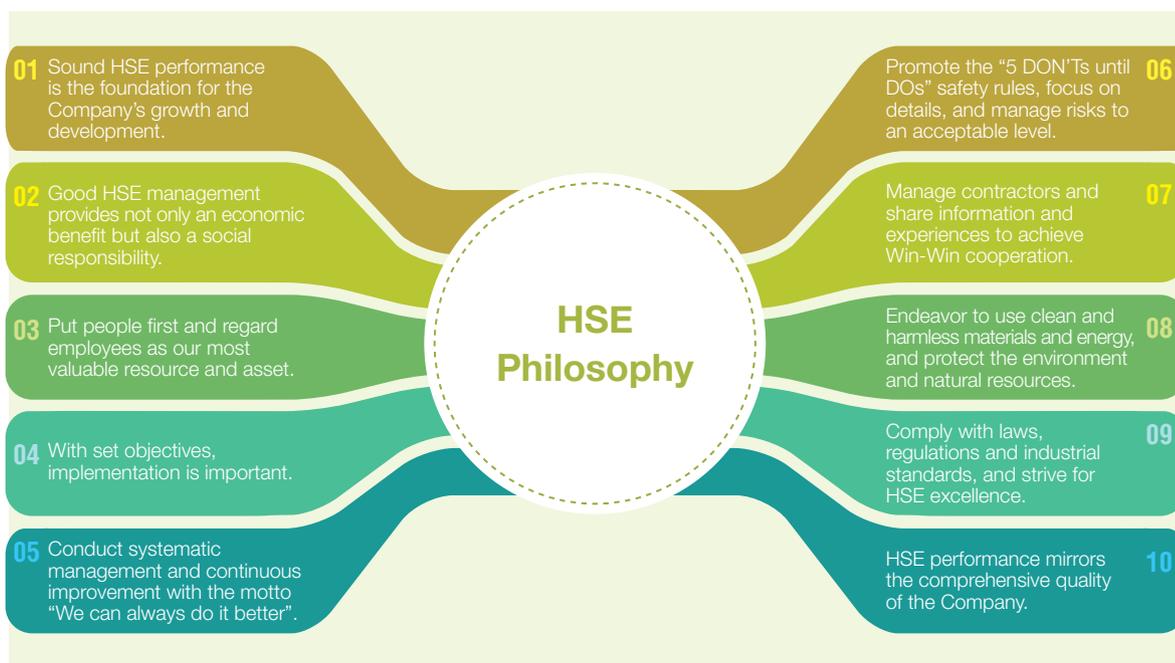
Operational Safety

Environmental Protection

Response to Climate Change

02

CNOOC Limited regards safety and environmental protection as a basic requirement for sustainable development of the Company. The Company insists on incorporating safety and environmental protection principles in the process of production, operation and management, and adopts strict measures to guarantee operational safety.



Management System

In 2014, the Company continued to push forward the establishment of its safe production responsibility system. Aiming to eliminate hidden dangers, the Company continued to advance its hazard prevention mechanism; focused on prevention in key fields, key procedures, and key units; and improved and promoted its HSE management to strengthen safe production in the Company's operations. Meanwhile, the Company also put in place and improved regulations governing operational accidents, and further defined operational safety management responsibilities in areas related to engineering technology, project construction, development and production. This two-pronged approach towards operational safety further strengthened the Company's mechanism for the prevention of operational accidents.

The Company continued to strengthen its overseas HSE management. Based on the circumstances of each overseas operation, the Company outlined the HSE management responsibilities of



each project and defined its key control content. In addition, and according to the environment and operational features of each project, the Company completed the design of HSE management programs for CNOOC Southeast Asia Limited, CNOOC Uganda Limited and CNOOC Iraq Limited. The Company became a member of the Oil Spill Response Limited (OSRL) on January 1, 2015 to improve its oil spill response capabilities across the globe.

Following the HSE audit on Nexen's headquarters in 2013, the Company organized another HSE audit on Nexen UK in 2014. The two audits resulted in a continuous improvement in Nexen's HSE performance, which reached its best record in its history.

Case: CNOOC Qatar Limited Launches HSE Management

To encourage field employees to actively identify potential HSE risks, CNOOC Qatar Limited implemented an incentive mechanism to recognize and reward employees who can come up with feasible suggestions. On a monthly basis, suggestions are evaluated and one first prize, two second prizes and three third prizes are awarded. This initiative has greatly boosted field employees' enthusiasm for participation in HSE management and resulted in improved on-site HSE performance.



Management Performance

Even with expanding operating areas around the world, and a significant increase in workload, no major accidents involving operational safety or environmental pollution were recorded in 2014. The Company's OSHA statistics continued to remain above average levels among all international oil companies during the period, and OSHA statistics for Nexen achieved the best in its history. This was driven by our long-term focus on HSE, improvement in our management system, and strict execution of all the rules and regulations.

In 2014, although our performance was significantly better than in the previous year, there was one fatal accident involving a direct contractor of the Company.

OSHA Statistics

	Scope	Total Work Hours (Millions of man-hours)	Recordable Incidents	Rate of Recordable Incidents	Cases of Lost Work Days	Rate of Lost Work Days	Days of Work Delays and Job Changes	Casualties
2014	Employees	39	14	0.07	7	0.04	239	0
	Employees and Direct Contractors	140	89	0.13	26	0.04	623	1
2013	Employees	35	20	0.11	6	0.34	250	0
	Employees and Direct Contractors	120	111	0.18	38	0.06	1,517	4

Note: According to OSHA statistical methods, all indicators are calculated on the basis of 200,000 man-hours.

Operational Safety

Safety Inspection

In 2014, CNOOC Limited further improved its key focus on internal audits and inspections to effectively promote the continuous improvement of HSE management. By thoroughly reviewing and improving the key points of audit priorities, criteria and implementation methods, we created consistent and unified audit and inspection requirements so that attention could be focused on key points within a limited timeframe, omissions could be avoided and the business units could conduct self-checks with reference to the requirements, thereby improving HSE management in an ongoing process.

The system for screening major sources of hazards and potential risks is in place for all subsidiaries, effectively strengthening the hazard identification and risk control and ensuring subsidiaries are fully aware of the status of the rectification progress for all business units.

In 2014, the Company launched a special inspection on offshore oil and gas projects and rectification on potential hazards in Offshore China. Considering the key tasks for the year as well as the actual situation of all subsidiaries, the Company organized an inspection team, which consisted of experts from the head office's functional department, subsidiaries and a third party safety technology agency, to conduct random inspections against the checklist on all four branches. A number of the findings were used as examples elsewhere to ensure substantive progress in potential risk identification and control across the Company.

Case: "Stand Up for Safety" Campaigns

Nexen held two company-wide "Stand Up for Safety" awareness campaigns in 2014 around the themes of "slips, trips and falls" and "working safely at height". Within the oil and gas industry, slips, trips and falls are the most common ways that workers get injured. Nexen employees and contractors discussed how to avoid such incidents while aligning with the company's cultural philosophy of "Safety First".

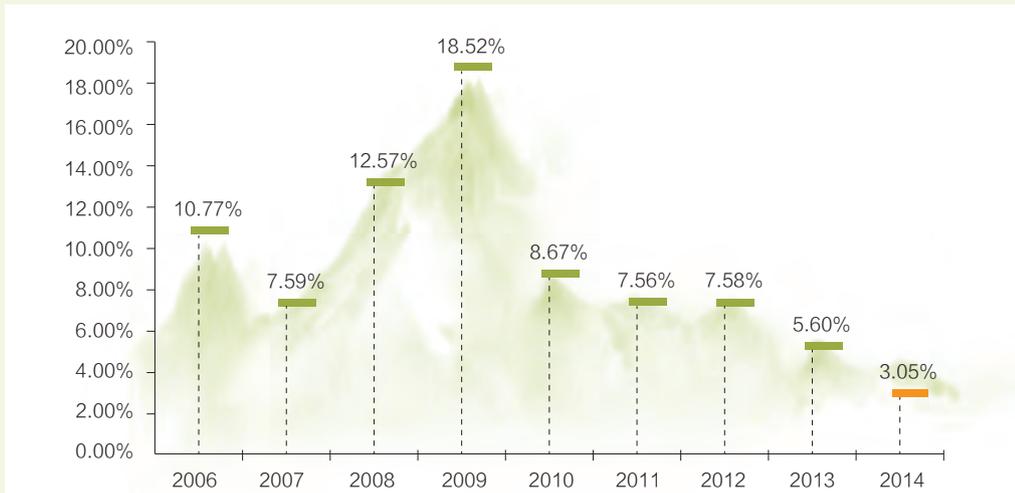
Equipment and Facility Integration Management

To further strengthen the reliability, operability and maintenance of its equipment and facilities and to better avoid HSE risks, CNOOC Limited has promoted equipment and facility integration management since 2011. This refers to the optimal management of the Company's equipment and facilities throughout their life cycles, including initial study,

Impact Rate of Equipment and Facilities Failure on Output



Failure Rate of Equipment and Facilities



project construction, operation maintenance, as well as old equipment disposal. CNOOC Limited also sought to tighten the control on several critical types of equipment and facilities including submarine pipelines, single-point mooring systems and storage tanks, to reduce risks effectively.

In 2014, the Company put in place an equipment and facility integration management system, while inspecting 86 critical facilities and conducting a risk assessment for more than 240 submarine pipelines, 15 platform structures, five FPSO hull structures, 14 single-point mooring systems as well as 16 cranes. In addition, the Company continued to carry out the “identify potential risks and initiate rectification” special campaign, which led to the addition of more than 200 warning signs, over 20 protective installations on submarine pipelines, the addition of an online security monitoring system to 13 single-point mooring systems as well as the installation of monitors on some cranes. Furthermore, the Company continued to extend its integrity management process to the design and construction stages. For example, it conducted an integrity review of the design plans of five new projects and production adaptation assessments for eight new platforms and six new submarine pipelines to put risks under effective control from the very beginning of the process.

Through the improvement of the integration management system and its implementation, the Company saw a record low impact rate of equipment and facilities failure on output (as a percentage of reduction in output due to failure of equipment and facilities in planned output) and failure rate of equipment and facilities (as a percentage of equipment and facility failures in total failures), which means more effective risk control and an improved safety level for equipment and facilities.

Management of Contractors

According to its annual review plan, CNOOC Limited launched special HSE reviews of an offshore oil engineering company, five diving contractors and three helicopter contractors. The HSE reviews effectively enhanced the building, improvement and implementation of contractors’ HSE systems.



Case: Simulation Training Classrooms

To further enhance the quality, efficiency and relevance of safety training and to effectively control risks related to a younger workforce and the extensive use of contractors, CNOOC Limited actively explored more effective training methods, including plans to set up “simulation training classrooms”.

A “simulation training classroom” features several modules that meet specific safety needs, each with physical simulators that create a particular set of conditions such as workplace, equipment, devices and tools. In combination with audio-visual aids to explain principles and procedures, the simulation training classroom gives trainees an idea of what a real situation may look like and enables them to quickly grasp key points of safety operations.



Case: Apprenticeship for New Employees

As one of Nexen’s major contractors, ClearStream provides services to the Long Lake Oil Sands project which means they must adhere to Nexen’s HSE policies to ensure they align with how we work. ClearStream recognized that their new employees or those with little knowledge of the environment and equipment used in oil sands operations were more prone to injuries and accidents than experienced employees. In response, the company launched an apprenticeship program called “Green Hands” that was designed to provide additional training, guidance and supervision for new employees with less than 60 days of experience in the oil sands industry.



At the end of the program, reports are issued for each new worker outlining the skills they were able to demonstrate along with a list of areas for improvement. Detailed steps are also provided to help the workers achieve their improvement goals. The “Green Hands” program is an important tool that will help support Nexen in its delivery of HSE targets for the Long Lake project.

Enhancing Emergency Response Capabilities

In 2014, the Company established a global emergency resource management system which enables the unified arrangement and complete control of emergency reserves as well as cross-regional collaboration and assurances. This system not only meets regulators’ requirements on emergency resource classification and coding specifications, but also includes information on offshore oil-specific emergency equipment and materials, making it possible for the Company and its subordinate units to access information and make online submissions and filings, real time queries and dynamic tracking, and provide data support for emergency rescue coordination and command, as well as enhanced emergency response capabilities.

In terms of building an emergency management information system, the Company continued to improve its maritime emergency response and command system with the project “popularization and application of the maritime emergency mobile command communications system” as one of its top priorities of 2014. By the end of the year, three environment enforcement vessels had been equipped with the system, enabling emergency information sharing between headquarters and regional emergency command centers, as well as command vessels. The purpose is to ensure an efficient command system in a state of emergency and to create a three-level emergency management model that includes headquarters, branch and emergency

rescue vessels. Currently, CNOOC Limited's mobile emergency rescue vessels can be deployed to Bohai, East China Sea, Eastern South China Sea and Western South China Sea with capabilities of multiple-point joint deployment and unified management across headquarters, branch offices and comprehensive emergency management platforms. These vessels can provide hardware and software support for intensive, refined and flat management of the Company, guarantee communication for maritime emergency response, and take emergency response capabilities of the Company and its branch to a new level.

In 2014, CNOOC Limited carried out four company-wide oil spill risk screening activities to identify and rectify potential risks, which effectively controlled and avoided oil spill risks. In the same year, the Tianjin Branch revamped its oil spill contingency plan to be used in oil and gas fields under its management, which was filed with the North China Sea Branch of State Oceanic Administration.

In terms of oil spill emergency response capabilities, the Company has been actively promoting the establishment of oil spill emergency response bases. CNOOC Limited has built eight bases including Tanggu, Suizhong, Longkou, Shenzhen, Hengqin (Zhuhai), Gaolan (Zhuhai), Huizhou and Weizhou, extending its oil spill emergency response coverage to all of its operations in offshore China.

On December 26, 2014, China National Petroleum Corporation (CNPC), Sinopec and CNOOC Limited signed a *Strategic Alliance Agreement on Oil Spill Emergency Response* in Tianjin, and formed an Emergency Rescue Linkage and Coordination Group under the terms of the agreement. The Group members will strengthen the exchange and sharing of emergency response resources and information, and update information regarding emergency bases, supplies, equipment, personnel and vessels every six months to ensure that if an oil spill occurs, the companies can respond quickly by drawing on the resources of the alliance. In addition, the alliance will hold an annual meeting and an annual oil spill drill. Also, a broad range of workshops and trainings will be organized periodically to create opportunities for communication and learning among the Group members.

In terms of typhoon response management, the Company deployed helicopters 1,006 times, deployed vessels 78 times and mobilized and demobilized 22,541 workers during the period. Due to the adequate preparation and proper handling, there were no casualties due to typhoons.



Case: Large-scale Emergency Drills at Nexen

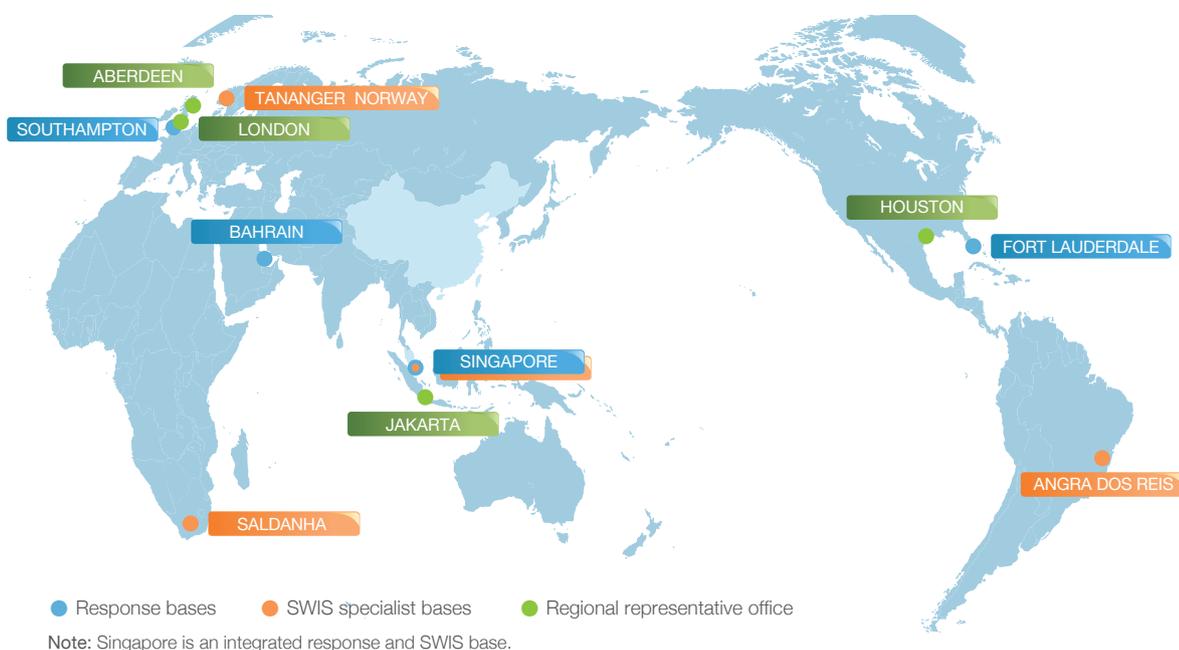


In June 2014, Nexen carried out emergency drills at both the Long Lake Oil Sands project and in the UK. The drill at Long Lake simulated a multi-vehicle collision with worker injuries and the drill in the UK dealt with oil spills on platforms.

The crisis management teams from headquarters, Calgary and the UK used the drills to examine Nexen’s emergency response procedures including the roles of the emergency management teams and crisis communications.

Case: Becoming a Member of OSRL

OSRL, an industry owned association comprised of environmentally responsible petroleum companies, exists to respond effectively to oil spills around the world. On January 1, 2015, CNOOC Limited became a shareholder and level-1 member of OSRL and purchased the GDS (Global Dispersant Stockpile) service from OSRL which grants the right of mobilizing 5,000 tons of global dispersant reserve under an emergency situation. This move further strengthens CNOOC Limited’s overall oil spill response capability and will provide strong support for its overseas exploration and development operations, while reflecting CNOOC Limited’s commitment to HSE.



Case: Emergency Drill at Bohai Oilfields



On November 4, 2014, the Tianjin Branch held its largest-ever comprehensive emergency drill at Bohai oilfields.

The drill simulated a situation in which a broken oil-water separator on a platform deck caused a fire, personal injuries and a large oil spill. The drill included offshore platform fire rescue, high-altitude spraying, helicopter rescue, marine oil spill interception and recovery, and helicopter dispersant spraying.

Transportation Safety

In 2014, CNOOC Limited maintained its transportation safety record with no fatal transportation accidents. However, three people were injured in two transportation accidents.

The Company has set up private car clubs as part of employee benefits across all regions to improve private car safety management. The clubs offer a broad range of training to enhance traffic safety awareness among employees. On the third "National Traffic Safety Day", the Company launched programs including learning about new traffic rules, driver training and safety education, aimed at employees with a private car. In recent years, the number of employees who drive has continued to rise while the accident rate involving private cars has seen a steady decline.

Environmental Protection

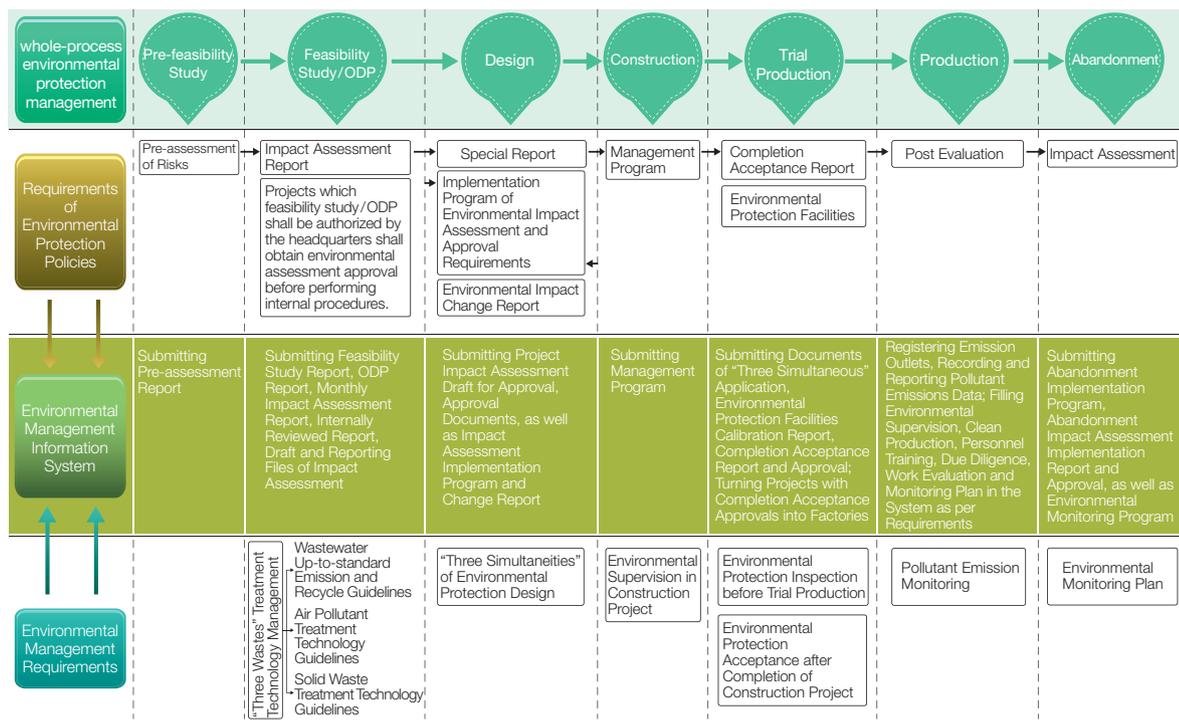
Environmental Protection Management

In 2014, the Company met environmental protection standards and satisfied statutory and operational compliance through its whole-process environmental protection management system. In accordance with the principle that "in-process control is better than post control, pre-control is better than in-process control, and whole-process control is better than pre-control" and based on its environmental protection information management system, CNOOC Limited adopted a whole-process environmental protection management approach that focuses on vigorous environmental impact assessment (EIA), pollutant discharge and total amount control and overall emissions reduction control. The system covers all levels of units within CNOOC Limited as well as comprehensive data collection, monitoring and early warning related to pollutant discharge. The Company thus ensured meticulous environmental protection management that had no loopholes.

The Company continued to carry out special environmental protection compliance inspections that focus on wastewater discharge compliance, EIA compliance and other environmental protection management issues at all production units, and urged them to carry out similar inspections at their subsidiaries, in accordance with the requirements specified in Rules for the Implementation of Special Environmental Compliance Inspections. In addition, in line with the Guidelines of Completion and Acceptance of Three Simultaneities of Environmental Protection Facilities of Offshore Oil and Gas Development Projects, the Company initiated standardized environmental protection monitoring at new projects and uploaded standardized monitoring reports to the environmental protection information management system to identify problems at environmental protection facilities at an early stage.

In our overseas operations, CNOOC Limited is committed to strict compliance with environmental laws and regulations in countries where we operate as well as compliance with internal environmental protection compliance rules to avoid adverse effects of its oil and gas operations on the ecology and environment. In Uganda, the Company's operations at the Kingfisher (KF) oil field are near Lake Albert Rift Basin, the second largest lake in Uganda. To minimize the impact of the oil industry on the local ecological environment, the Company subjects itself to vigorous environmental and social impact assessments, remains open to opinions from all stakeholders, and even goes so far as to prepare special environmental and social impact reports for whatever it does locally, be it the construction of camps, well sites, stockyards, or the extraction of sands, stones or water. To better protect the environment, the Company adopts special mixed-base muds with higher productivity and better environmental performance for operations at the KF-4 well. CNOOC Uganda Limited has also built a testing lab at the site for water quality monitoring and inspection. To minimize the impact on the local ecosystem, it has even avoided the direct discharge of rainwater at the site.

CNOOC Limited's Whole-process Environmental Protection Management Flow Chart



Case: Nexen Supports COSIA's Water Technology Initiative

As a member of Canada's Oil Sands Innovation Alliance (COSIA), Nexen is actively supporting the Water Treatment Development Center (WTDC). The center is estimated to start up in 2016. As a member, Nexen will undertake the testing and commercial trial of new water recycling technology and new steam assisted gravity drainage (SAGD) technology of oil sands project, and will pay partial costs of the center construction.

Energy Conservation

As an energy producer and supplier, CNOOC Limited is committed to supplying abundant clean energy to fuel social development and to incorporating energy conservation into the whole-process of production and operations.

The Company continued to enhance its energy conservation work by establishing a complete energy conservation management system that was incorporated into its corporate risk management and control system. The Company attaches great importance to energy conservation from the very beginning of a project, implements strict energy conservation assessments and examines all new, reformed, and expanded projects to ensure they are at an advanced level. Meanwhile, measures were also taken to strengthen the meticulous management and to implement technological reforms, all of which helped the Company make great achievements in energy conservation. In 2014, the Company invested RMB110 million in the reconstruction of more than 30 energy saving projects, saving the energy equivalent of a total of 124,000 tons of standard coal and laying a solid foundation for the long-term and sustained advancement of its energy saving work.

To increase employee awareness of energy conservation and to promote participation, CNOOC Limited carried out a broad range of company-wide energy saving publicity campaigns, including signature campaigns, public transport initiatives and exchange meetings and workshops on energy saving technology, making energy efficiency, green energy and low carbon production, consumption and habits a part of every employee's thoughts and actions.



Case: Energy Saving Begins at the Project Design

Based on the completion of energy saving technical upgrades of existing facilities, CNOOC Limited gradually shifted its focus to energy saving projects in 2014, with particular emphasis on the application of energy saving technology to new oil and gas field facilities, in a bid to shift from "energy saving technical upgrade" to "energy saving design" and to maximize cost savings and reduce energy waste. For example, the Lufeng 7-2 oilfield that came on stream in 2014 features four main generator sets of which two are dual fueled by crude oil and natural gas. By fully utilizing the previous flare gas, the two generator sets can save up to 1,497 tons of crude oil yearly, equivalent to 2,139 tons of standard coal. Taking another example, a waste heat boiler installed to Hengqin natural gas terminal, Zhuhai, will take advantage of exhaust heat from the gas compressors to produce process steam. Once in operation, the project can save up to 162,500m³ of natural gas yearly, equivalent to 57,242 tons of standard coal.



Case: Natural Gas from Weizhou Oilfields Connected with Gas Grid



Zhanjiang Branch created a natural gas supply network by connecting natural gas from the Weizhou 11-1, Weizhou 11-4D and Weizhou 12-1 oilfields to Weizhou natural gas terminal to achieve complementary use of natural gas and reduce gas flare. With a total investment of RMB20.58 million, the project was completed and put into use in August 2014. The 55,000 cubic meters of flare gas from the Weizhou 11-1 oilfield was piped to Weizhou natural gas terminal through a newly constructed submarine pipeline. This led to a yearly increase of 19.80 million cubic meters of natural gas sales, which is equivalent to yearly natural gas consumption by 225,000 people in China, and a yearly reduction of 37,000 tons of CO₂ emissions, an amount that takes 29,348,000m² of forests to absorb in a year.

Case: Dongfang Terminal Natural Gas Compressor Waste Heat Recovery Project

In this project, Dongfang Terminal recovered waste heat from natural gas compressor units to generate up to 15 tons of steam per hour, which was added to the existing steam pipe network and led to the shutdown of a gas-fired steam boiler as steam demand was met by this new project. With a total investment of RMB33.87 million, the project was completed and put into use on July 26, 2014, resulting in a yearly 131,000 tons steam generation and savings of 12.60 million cubic meters of natural gas, equivalent to yearly gas consumption of 143,000 people in China. The project also generated additional sales income of nearly RMB20 million and reduced up to 19,000 tons of CO₂ emissions, an amount that takes 15,341,000 m² of forests to absorb in a year.



Case: Sea Water Desalination Project at a FPSO Vessel Based at Qinhuangdao 32-6 Oilfield

The Qinhuangdao 32-6 oilfield implemented a sea water desalination project using water from FPSO's generators as a heat source. Without increasing energy consumption, the project can produce up to 6,000 tons of fresh water annually, equivalent to half of the average annual freshwater consumption by the FPSO, decreasing vessel trips for freshwater delivery and effectively alleviating water use pressure and fuel consumption of the transporting vessel.



Main Energy Consumption

Natural Gas

Unit: 100 million cubic meters



Crude Oil

Unit: 10,000 tons



Diesel

Unit: 10,000 tons



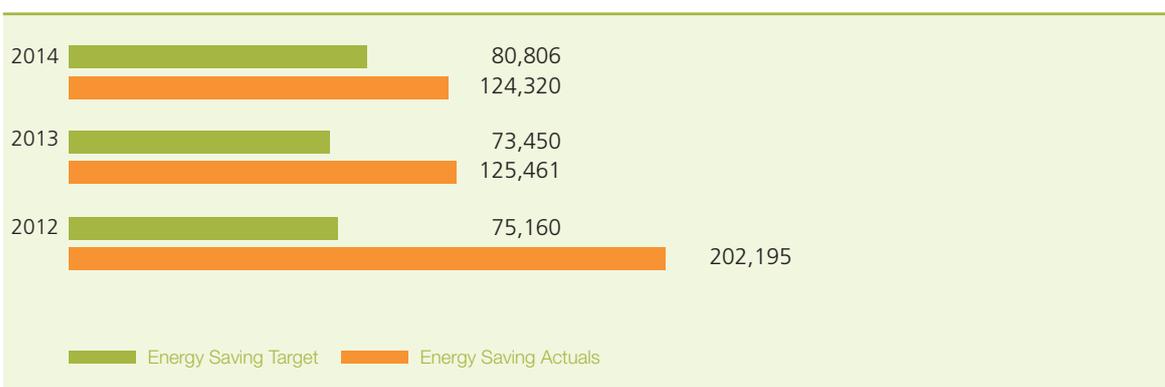
Electricity

Unit: 100 million kwh



Meeting Energy Saving Targets

Unit: ton standard coal



Emissions Reduction

During the period, CNOOC Limited continued to take its emissions reduction management to the next level. In 2014, it strived for the implementation of emissions reduction programs, formulated related plans and continued tracking on key emissions reduction projects.

In addition, for chemical oxygen demand (COD) and water pollutants like nitrogen and hydrogen nitride, the Company launched emissions reduction programs at key business units in line with the principle of "source control, end-of-pipe treatment and waste diversion". For air pollutants like SO₂ and NO_x, it carried out special treatment programs following the principle of "standard compliance comes first", including the closure of old facilities in an effort to control pollutant discharge at the source.

To ensure the effectiveness of pollutant discharge management, the Company asked all of its subordinate units to prepare regular statistical reports on the whole range of pollutants, total offshore petroleum hydrocarbons and greenhouse gas emissions.



Case: Upgrade of the Wastewater Treatment System at the Chengbei Oilfield

The Chengbei oilfield, which has been in operation for more than 20 years, produced fluid with high water content, and the originally designed water treatment procedures seemed unlikely to reduce the oil density. At the same time, as the demand for incremental water flooding in oil reservoirs was small, the scope for reducing pollutant discharge through wastewater reinjection was also slim. To enhance the water treatment process, the Company invested more than RMB20 million to install wastewater treatment facility at the Chengbei oilfield, increasing efficiency in wastewater treatment and reducing pollutant discharge.



Case: Recycling the Associated Gas with Desulfurization of “Nan Hai Sheng Li” FPSO



Recycling the associated gas with desulfurization of “Nan Hai Sheng Li” FPSO was initially a scientific research project, designed with relatively small treatment capacity and application scope. In 2014, the Company invested RMB4 million to upgrade the project by installing a gas storage buffer tank, converting a single fuel boiler into dual fuel and improving monitoring and emergency response control of the treatment system at the central control room. After completion of the upgrade, the associated gas desulfurization system ran more smoothly with increased treatment capacity, maximizing benefits from energy conservation and emission reduction. Based on an estimate of operating for 350 days a year, this project can save 5,503 tons of crude oil, equivalent to 7,790 tons of standard coal, and reduce CO₂ emission by 14,869 tons and SO₂ emission by 833 tons respectively, achieving remarkable economic and social benefits.

Ecological Protection

The natural environment provides the basis for human survival and progress as well as oil and gas resource exploitation. Therefore, CNOOC Limited has always been deeply committed to ensuring the protection of the ecology and the environment.

The Company always does its business within the framework of international conventions, laws and regulations, and is committed to building itself into an “energy saving, environmental friendly, green energy and low carbon” business.

In 2014, the Company rolled out a broad range of environmental initiatives, including a campaign called “treasure our sea territory and unite blue powers” on World Oceans Day, an “embrace a low carbon future and create a blue sky” themed energy conservation publicity week, a Low Carbon Day activity and a voluntary tree planting campaign. With the aid of various activities such as voluntary tree planting, posters, banner signature, prize-winning quizzes, these initiatives helped promote the Company’s development philosophy of “energy saving, environmental friendly, green energy and low carbon”.

CNOOC Southeast Asia Limited has also shown its commitment to environmental protection. During 2007-2014, it invested US\$1 million to improve and protect the ecological environment of the Thousand Islands in Indonesia. Efforts included the transfer and planting of coral reefs, the protection of mangrove forests and seaweed, and the treatment of domestic sewage and industrial wastewater from the surrounding areas. In addition, the Company was also actively involved in sea turtle protection initiatives launched by a non-governmental environmental organization, providing local communities with turtle breeding equipment.

Case: Charity Event at Bohai Oilfield

On October 19, more than 60 young employees from the Bohai oilfield participated in the third annual coastal environmental protection charity event held in Qinhuangdao. In addition to public welfare activities, the young volunteers were divided into two groups, whereby one group organized a beach trash pick-up activity in the Qianshui Bay area where they picked up trash such as bottle caps, cigarette butts, plastic bags and broken wine bottles. Visitors at the beach were touched by the volunteers' passion, and joined the beach cleaning activity. The other volunteer group promoted marine protection in the city center of Qinhuangdao, with an annotated banner to passersby.



Case: Nexen Celebrating a Reclamation Milestone



As an oil sands developer, Nexen is required to revegetate the land we disturb. The current focus of our reclamation is on planting native trees and shrub species on disturbances associated with our oil sands exploration programs, including access roads, seismic lines and drilling sites. In July 2014, Nexen reached a milestone when we planted our one millionth tree in the Long Lake area.

Nexen has been actively reclaiming for several years and planted spruce, birch and aspen seedlings and native shrubs to more effectively return the natural biodiversity and wildlife habitat, and speed the reforestation process.

Case: Fish Release in the Eastern South China Sea

On July 23, CNOOC Shenzhen Branch launched a fish release activity at the Yangmeikeng Beach in Shenzhen. It was part of the Company's fishery ecological protection work for the Panyu 4-2/5-1 oilfield adjustment project. A total of 2.25 million yellowfin seabream, black bream and grunt (*Plectorhynchus cinctus*), 17.5 million red-tail prawns and Banana prawns as well as 1.7 million clams and undulate venus were released into the sea.

Yangmeikeng Beach is located in the Daya Bay Aquatic Reserve of Guangdong Province, which is home to one of the largest artificial fish reefs in Shenzhen and is a paradise for juvenile fish and prawns to feed and grow. The fish release effectively restocked and restored fishery resources in the South China Sea, which is expected to increase fishermen's incomes and contribute to stability in the fishing areas.



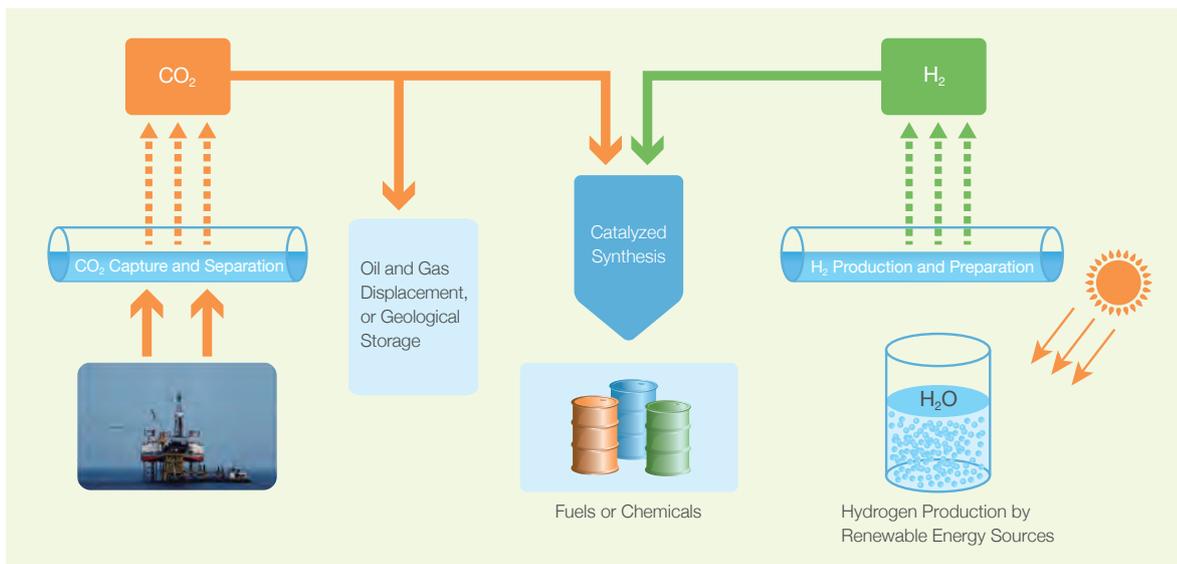


Response to Climate Change

The fight against climate change and global warming is a topic of concern for all. As a responsible energy company, CNOOC Limited has always been actively involved in addressing climate change as it seeks to carry out proper offshore oil and gas exploration and development and to ensure energy supplies.

Greenhouse Gas Emissions

Over the years, CNOOC Limited has been actively exploring effective ways to reduce greenhouse gas emissions. These include adopting new technology, reducing energy consumption and improving energy efficiency in production





processes. Meanwhile, it also looks to reduce emissions by developing CO₂ capture and separation, geo sequestration and application in large scale.

Since 2006, CNOOC Limited has been participating in the Carbon Disclosure Project's online questionnaire. Through its participation in this project, the Company has satisfied investors and stakeholders on information disclosure. At the same time, such information provided reference data for greenhouse gas emissions and carbon resources management.

Increase Supply of Clean Energy

CNOOC Limited has been working to increase its natural gas supply and reserves. In 2014, the Company paid particular importance to developing its unconventional oil and gas business while continuing to boost its conventional gas business. During the period, the Company made the first major deep-water natural gas discovery on a self-operated well, the Lingshui 17-2 gas field. By the end of 2014, the Company's net proven natural gas reserves reached 7,268 billion cubic feet. It now supplies 1,330 million cubic feet of natural gas per day to society.





EMPLOYEES

- Employment Policies
 - Employee Rights and Interests
 - Employee Development
 - Employee Health
-

03



Employees are the most valuable resources in the Company's history. We pay great attention to our employee rights and interests as well as their self-development.

As at the end of 2014, we had a total of 21,046 employees, among which 15,156 were based in Beijing, Tianjin, Shenzhen, Shanghai, Zhanjiang and other cities in China while 5,890 were located in over 20 countries and regions overseas.



Employment Policies

CNOOC Limited respects the basic human rights that all employees are entitled to in accordance with the laws in each jurisdiction. The Company also respects employees' values, personalities and privacy under different cultural backgrounds.

In China, CNOOC Limited acts in strict compliance with the Labor Law of the People's Republic of China and Law of the People's Republic of China on Employment Contracts, and safeguards all employee rights and interests. Overseas, the Company strictly abides by the relevant laws and regulations, conscientiously implements related international conventions sanctioned by the Chinese government and respects the legitimate rights and interests of all employees.

We insist on giving fair and equal treatment in our recruitment, training, promotion and compensation systems regardless of race, nationality, religion, gender, age, marital status and other legal privileges of an employee.

All employees must enter into employment contracts with the Company on an equal and voluntary basis. The Company opposes any forms of inhumane treatment and forced labor, and strictly abides by the relevant stipulations on salary, overtime hours and statutory benefits in the locations where we operate.

CNOOC Limited adheres to the principle of equal rights between men and women. The Company actively increases the number of female employees and motivates women to apply for management roles. In addition, the Company enriches the leisure time of female employees by providing various activities, and encouraging women to participate. As at the end of 2014, there were 3,075 female employees within the Company, of which 157 were middle to senior level managers.

Since its establishment, the Company has never employed child labor for any operations in any locations.

Employee Rights and Interests

CNOOC Limited endeavors to create an open, transparent and equitable environment, adheres to people-oriented, caring principles and values, and protects the legitimate rights and interests of its employees.

The Company has been striving to offer employees competitive compensation packages within the industry by establishing an escalation mechanism and gradually implementing an allocation system that is consistent with the market. The Company's allocation system, which has fully considered the field employees, is closely associated with employees' performance and contributions. A pay mechanism that links employee incomes and the growth of the Company's profits has also been adopted, to ensure the employees benefit from the Company's development.

The Company has also built a comprehensive and effective social security system that put employees under the coverage of various social insurance programs as well as a variety of supplementary insurance programs. Aside from 5 basic social insurance programs including pensions, healthcare, employment injuries, unemployment and maternity, CNOOC Limited also provides employees with personal accident insurance, commercial supplementary medical insurance and minor children supplementary medical insurance. It also provides employees with company annuity and housing subsidies.

We have also taken a series of measures to help employees find an appropriate work-life balance. For example, we offer employees paid annual vacation or home leave, encourage employees to take therapeutic leave and grant a one-time settlement subsidy or comprehensive allowance to help migrant employees with their relocation.

The Company respects and supports the freedom of its employees to socialize, gather, and join Labor Unions according to the law. Guided by the *Trade Union Law of the People's Republic of China*, the Company has established Labor Unions which resumed their responsibility and obligation to protect employees' legitimate rights and interests, as well as to monitor the Company's fulfillment of its responsibilities. Labor Unions also oversee all operational activities related to employee benefits, and communicate with the Company on behalf of its members.

Employee Development

Career Development

CNOOC Limited has always upheld a "people-oriented" principle and strives to provide opportunities and career paths for employee advancement. Based on different professional groups and job characteristics, the Company has built three types of talent cultivation systems—management (M rank), technology (T rank) and work (W rank) which provide career development paths suitable for each employee. During the reporting period, the Company organized and offered internal professional qualification and training courses for employees in the areas of exploration supervision, underground operations, and well completion supervision. In 2014, seven people were certified as senior chief inspectors and 64 as chief inspectors, thus boosting the capabilities and quality of the Company's key frontline employees.

With regard to the requirement of the career path for the T rank employees, the Company further optimized the management policies and established a system for their promotion, leading to more standardized and regulated career advancement. In 2014, over 200 technical personnel of CNOOC Limited were promoted through T rank.

Employee Training

CNOOC Limited has offered a variety of training course options. Guided by the *Annual Plan for Key Training Programs*, the training courses continued to focus on key specialties and critical roles. In 2014, 54 core training programs and projects involving 3,444 attendees and 40,742 days were complete.



The Company continued to encourage certifying professional skills and further increased the proportion of experienced professionals. In 2014, a total of 2,734 employees received certifications. The Company currently has 3,144 employees with titles of senior worker or higher, and 325 technicians and senior technicians, accounting for 59% and 6.1% of the total technical workforce, respectively.

	Total Training Sessions	Number of Participants	Total Training Hours	Average Training Hours per Person
2014	20,602	272,873	1,502,339	110
2013	16,777	194,880	1,189,869	97
2012	14,242	187,130	1,013,305	109

Case: Culture Exchange for Win-Win



In 2014, CNOOC Uganda Limited held training sessions including professional specialties, soft skills and cross-cultural management. In July, CNOOC Uganda Limited sent 10 local Ugandan staff to China for a one-month comprehensive training program aimed at helping them understand the Company's cultural philosophy and to acquire comprehensive industry knowledge.

Case: Improving Asset Integrity Management Capability



To enhance the capability in asset integrity management, the Company selected 25 technical managers and experts that engaged in design and construction engineering as well as equipment maintenance, who were sent to the Netherlands for training on asset integrity management. During the training, the trainees learned about asset integrity management, and engaged in technical exchanges with internationally well-known oil companies such as Shell. Through this training, the trainees assisted the Company in establishing an asset integrity management model, and improved the assessment system, management strategies, and budgeting process, which effectively supported the Company's on-going operations in development and production.

Cultivation of International Talents

The Company has always placed a strong focus on the cultivation of talents with an international perspective, insight into international practices and strong competitiveness. During the reporting period, the Company sent its employees to prestigious universities abroad for continuous education, organized technical training overseas, and held international operation and management workshops. In addition, it also sent young technicians and personnel in critical roles to study at some international organizations. In 2014, 260 employees completed 19 overseas training programs. These programs covered a series of key areas such as unconventional oil and gas exploration, heavy oil development, deep-water drilling and well completion, low permeability oil and gas field exploration and development, legal regulations pertaining to the international oil sector as well as petroleum finance and taxation. These employees played an important role in advocating the Company's technology innovation and addressing critical technical challenges in the areas of deepwater, heavy oil, low permeability and unconventional oil and gas.



Nexen – Integration and Evolution

With 2014 marking the first anniversary of Nexen joining CNOOC Limited's family, we entered a new phase of integration in employee development and human resources management. In 2014, integration of our two companies moved forward in a variety of ways, including developing a talent exchange program and promoting human resource management.

A personnel rotation and development program was established to accelerate the integration of Nexen with headquarters. This program, known as the Talent Exchange program, was offered to high performing employees, and included both short-term and long-term exchanges. In 2014, a total of 78 candidates from CNOOC Limited were chosen through recommendations, written tests, interviews, and evaluation on leadership skills. Of these candidates, 17 people were selected for the short-term and long-term exchange assignments in the UK and Canada. At the same time, Nexen sent 11 employees on exchange to our Beijing office. To ensure the maximum benefit of knowledge transfer and sharing, the program focuses primarily on finance, production development, reservoir development, human resources and business development areas. This development program is believed to have effectively driven significant integration of our two organizations.

Nexen was fully incorporated into CNOOC Limited's human resource management system. Nexen's Key Performance Indicators (KPI) were designed around key elements such as HSE, oil and gas production volumes, profitability and cost control. Performance-oriented salary differentiation was first introduced at Nexen, and as part of the integration, Nexen's organizational structure was optimized.

Employee Insights



"I came to Beijing as part of the talent exchange program. As a member of the Investor Relations Department, I had the opportunity to attend several investor meetings, and at my very first meeting the investor asked a question about the Nexen integration. Since I spent 18 months working on Nexen's integration projects prior to my relocation to Beijing, I was thrilled that I was able to contribute to an investor discussion so early in my assignment. And although my supervisor could have easily answered this question, she used this as an opportunity to let me talk with the investor by asking me to provide an update on the Nexen integration.

I also find that Beijing has so much going on, there is really something for everyone. You can be involved in a different activity every night of the week if you want. For example, I love playing cards, so when I first arrived, I joined a weekly card game. It's a really fun group and everyone is fairly well matched in terms of skill level, so I am really enjoying it. Beijing also has an incredible amount of arts and culture so there is never a shortage of amazing sights to explore and events to attend.

The talent exchange program is a great example of how the Company is utilizing the combined skills across the organization to share ideas and transfer knowledge. I am extremely grateful for the opportunity to be participating in this program."

—Kimberly Woima

Case: One Year Anniversary Writing Contest

February 2014 marked the first anniversary of the acquisition of Nexen by CNOOC Limited, the Company held a writing contest that drew wide attention and active participation from our employees globally.

He Ting, Qian Yan and Li Yuqian from CNOOC, as well as Chenxi Yang, Ines Grossmann and Amanda Villeneuve from Nexen, stood out as contest winners and were rewarded with a one-week exchange and learning program.

The exchange and learning program strengthened communication among departments and units and successfully allowed both sides to gain a deeper understanding of the Company's growth and corporate culture.

Commenting on her experience, Amanda Villeneuve said, "I'm very honored to meet so many colleagues in Beijing and to learn more about CNOOC Limited. I will always remember this trip to China!"



Case: Nexen Named One of "Canada's Top 100 Employers"



In November 2014, Nexen was named one of Canada's Top 100 Employers for 2015. This national competition identifies employers who lead their industries in offering the most progressive and forward-thinking programs. Nexen was acknowledged for its outstanding safety record (for the past 12 months), for improved performance, and for giving back to the community.

"This award is a great accomplishment for Nexen," says Quinn Wilson, Senior Vice President, Human Resources & Corporate Services of Nexen. "It's because of the efforts of each one of our employees that we are being recognized as an industry leader."

Case: CNOOC Exploration & Production Nigeria Limited Named One of "Top 100 Businesses in Nigeria"

Over the past eight years, CNOOC Exploration & Production Nigeria Limited has enjoyed a growing reputation and influence in Nigeria for integrity, compliance and safe operations. CNOOC Exploration & Production Nigeria Limited also made a significant contribution to Nigeria's fiscal revenues, economic development, and social progress. In 2014, CNOOC Exploration & Production Nigeria Limited was ranked #12 of the "Top 100 Businesses in Nigeria."



Employee Health

CNOOC Limited takes seriously employee health to ensure our employees are free from occupational injuries.

In 2014, the Company updated its *CNOOC Limited Occupational Health Management System* by implementing a computerized system to categorize workplace occupational hazard factors to be able to control these hazards from the beginning. This helped with the collection of basic occupational health information and the development of statistical analysis modules, achieving the automatic analysis and output of 113 basic statistical indicators, and finally leading to the completion of an occupational hazard reporting platform. During the year, to prevent occupational hazards, the

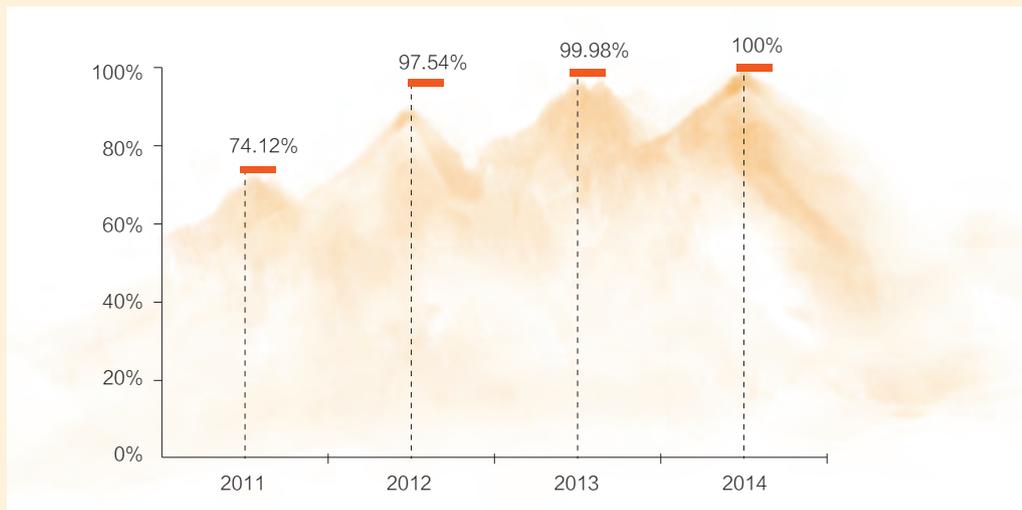


Company conducted pre-evaluation on 13 items, the evaluation of control effectiveness on 10 items and assessment of current status on 19 items, thereby strengthening the identification, analysis and control of workplace occupational hazards.

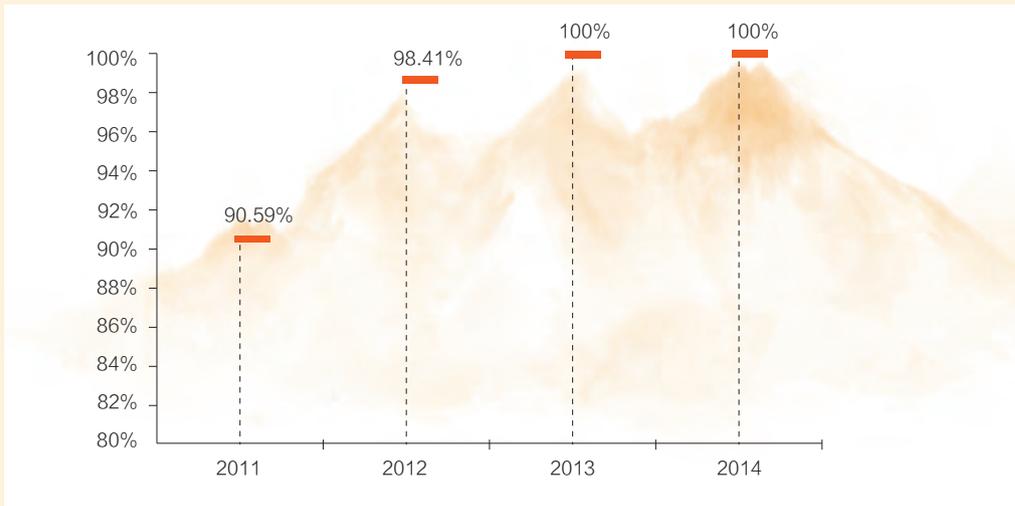
During the reporting period, the Company conducted periodic inspections on occupational hazard factors at 100 workplaces, yielding a 100% coverage rate. Occupational health examination was carried out on a total of 7,297 employees, reaching a 100% coverage rate. The coverage rate for occupational health examination rose from 84.3% in 2010 to 100% in 2014, achieving a complete coverage of the occupational health examination.

In addition, the Company fully implemented its "All-Inclusive Health across CNOOC Limited" incentive plan, which primarily focused on weight control and weight loss. In 2014, the Company developed the All-staff Health Promotion Management System to fully implement a health promotion program encompassing all-inclusive health among

Covergae Rate for Occupational Health Examination



Coverage Rate for Periodic Inspections on Occupational Hazard Factors



employees. The results showed that the health indicators and behaviors of all participants have improved significantly. At the Shanghai Branch of CNOOC Limited, the program achieved a complete coverage of all the employees.

CNOOC Limited also pays particular attention to the employees' mental health. In 2014, based on existing programs such as stress model building, psychological crisis intervention training, and psychological health services, the Company continued to build a *Stress Management and Psychological Health Management System* whereby professional psychological health services are provided to employees with a variety of psychological health tests as well as tools for self-examination, fun tests and psychological study. All employees have access to these tests and tools for a better understanding of their stress levels and psychological health conditions as well as appropriate interventions when necessary.

Overseas Occupational Health Management

As a multinational energy company with assets across six continents, CNOOC Limited is equally concerned about the occupational safety of employees working overseas.

The Company has established and published an overseas version of its HSE management system. In the area of health management, the Company has issued *Measures for Occupational Health Management* and *Details for Occupational Health Management*, and has urged overseas branches to develop, improve, oversee, and implement an occupational health management system in accordance with the guidelines of the Company. The



Case: Noise Control at Offshore Platforms



In light of noise levels in specific offshore living quarters exceeding the limits specified in the *Safety Rules for Offshore Fixed Platform*, the Tianjin Branch actively carried out research on noise control at offshore platforms. Based on an analysis of the noise sources and vibration spectrum in the living quarters and operating areas on platforms, sound-absorbing insulation material and sealing equipment were installed in two rooms of the living quarters, and the indoor ventilation system was replaced. These changes led to the noise levels inside the rooms meeting the requirements set out in the *Safety Rules for Offshore Fixed Platform*, providing a reliable basis for noise control in the living quarters.

Case: To Prevent Ebola Virus

In 2014, during the Ebola virus outbreak in West Africa, the Company promptly compiled the *Guidelines for the Prevention and Control of the Ebola Virus Disease*, *Action Plan on Ebola Epidemic* and the *Rules on Personnel Travel during the Ebola Epidemic*. All employees from Ebola-affected countries were asked to report their arrival, to cooperate in getting required tests done, and to monitor their own health condition. According to local conditions, overseas subsidiaries improved the emergency plan, and provided publicity and guidance through posters and the internal website, to enhance employees' awareness of prevention and improve the self-protection ability plan. During the period, no one in the Company was infected with the Ebola virus.



Company has also set out clear rules for the identification and prevention of occupational health hazards, physical exams, the establishment and maintenance of records, training, drinking water and food safety, as well as provision of medical care in onshore and offshore operations. During the period, the Company has entered into an agreement with International SOS and AEGON-CNOOC Life Insurance Co., Ltd. to offer medical assistance and insurance to overseas employees. The Company has also established programs to offer medical services. Furthermore, the Company has established a tracking mechanism for foreign epidemics and infectious diseases. By working closely with local health authorities, the Company strives to release information and provide the necessary support to its employees in a timely manner.

In accordance with its guidelines on promoting employee health, the Company fully utilized existing organizational systems and social resources, and incorporated advanced foreign occupational health promotion ideas to protect employee health. The Company asked all business units to develop holiday/vacation/leave policies and to supervise their implementation according to the regulatory requirements in the countries where they operate. The Company continued to improve the working environment and living conditions of overseas employees, improved the provision of the proper fitness equipment at overseas workplaces and encouraged participation in sports such as badminton, football and tennis. The Company has always advocated health awareness among its employees, and encouraged the participation in sporting events such as group calisthenics and various ball games.



SOCIAL CONTRIBUTIONS

Economic Contributions

Marine Rescue

Public Welfare

Community Building

Employee Volunteers



04

CNOOC Limited is committed to promoting development in the communities where we operate. As the Company's social influence continued to grow in 2014, the principle of "benefiting society" became more important in its daily business activities. Guided by its corporate governance principles, the Company is committed to making economic, cultural and educational contributions to local communities by pursuing business opportunities in an ethical manner, developing resources in a responsible way, focusing on the win-win philosophy with its stakeholders and supporting community development.

Economic Contributions

CNOOC Limited sees proactive contributions to economic and social development in the places where we operate as an important responsibility.

In 2014, the Company's oil and gas sales revenue was RMB218.21 billion and net profit was RMB60.2 billion.

In 2014, the Company's tax payments amounted to RMB70 billion, among which tax payments in China and overseas were RMB61.7 billion and RMB8.3 billion, respectively. These tax payments strongly support the development of the local economy and society.



Marine Rescue

Since its inception, CNOOC Limited has actively participated in marine rescue activities. In 2014, the Company took part in 26 maritime emergency rescues, involving 35 sea navigations and 4 helicopter flights, rescuing a total of 101 people.





At 8:35am on July 31, 2014, platform workers found a man on a drifter near the platform while patrolling the Weizhou 12-1 Oilfield. They immediately activated the emergency protocols and contacted the nearest rescue tug. The situation was also reported to the emergency response office at both the Weizhou Oilfield Operations Area and the CNOOC Limited Zhanjiang Branch. In 15 minutes, the man was rescued and brought to the platform. A doctor on the oilfield checked the man's condition and advised him to rest in the dining room. The oilfield also reported this incident to the Weizhou Maritime Rescue Center. At 9:10am, the man was taken by our standby boat to the nearest location onshore from the platform – Weizhou Island.

On the evening of October 19, 2014, high waves caused a fishing boat to overturn while dropping fishing nets. At 7:00am on October 21, 2014, vessel Xinrun 5, owned by CNOOC Limited's Tianjin Branch, was instructed to immediately proceed to rescue the crew of the fishing boat. After an hour and half search, the rescue team found a floating raft with four people on board. The rescue team helped the four people board the rescue vessel, immediately checked their physical conditions and kept them warm before taking them onshore. The company that owned the fishing boat expressed their gratitude to CNOOC Limited's employees for their unselfish behavior.

On December 4, 2014, the cargo vessel Hong Yuanhai was stranded in the Zhoushan Sea. Upon receiving a rescue command from the Donghai Rescue Bureau, CNOOC Limited's Shanghai branch immediately dispatched a vessel to the accident site and rescued all seven people aboard the stranded vessel.



Public Welfare

In 2014, CNOOC Limited was actively involved in public welfare activities such as providing educational aids, facilitating cultural exchanges, and participating in community activities in fulfillment of the Company's social responsibilities.

Education Aid

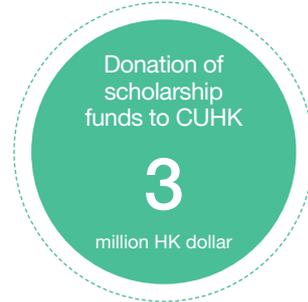
Since 2005, the Research Centre has been a dedicated contributor and supporter of the Pu Gong Ying Middle School. In September 2014, the Research Centre brought stationary and books to the 10 sponsored students from the Pu Gong Ying Middle School. In addition, the Research Centre, together with volunteers from other charitable organizations, visited a village in Chicheng County, Hebei Province, where they gave donations to seven students from poor families and visited with 10 elderly people living alone.

As part of the cooperation project with the Chinese University of Hong Kong, CNOOC Limited donated HK\$3 million scholarship funds in 2014 to sponsor talented students from mainland China to study in the Chinese University of Hong Kong.

Over the past 20 years, Nexen has contributed over US\$20 million to the University of Calgary, and is one of the university's largest corporate donors. These contributions have supported capital projects, research initiatives and undergraduate scholarships. In 2014, Nexen was awarded the Dean's Award for Corporate Leadership from the university's Schulich School of Engineering for the leadership shown in supporting research and educational activities at the school.

In 2014, CNOOC Uganda Limited launched its first international scholarship program. After several rounds of selection, five students out of 150 candidates were chosen to pursue either undergraduate or graduate studies at the China University of Petroleum. The scholarship program received high praise from the Uganda government.

Educational levels and living standards are relatively low for the people living in the communities adjacent to CNOOC Southeast Asia Limited's operations. To



help improve education and living standard as well as the surrounding environment for those living near its operation sites, CNOOC Southeast Asia Limited funded and completed the renovation and remodeling of two public schools and the renovation of a library. These efforts greatly benefited local students and were greatly appreciated by the local residents.

In Nigeria, CNOOC Limited and its partners on the OML130 project make an annual donation of US\$1 million to support local education and training. Meanwhile, the Company also actively funded the construction of Kings College's Twins Hall lecture theatre and dormitory building of the University of Uyo.



Case: Funding the Renovation of Bernard Elementary School in Congo

In 2014, CNOOC Congo SA provided US\$200,000 to fund the renovation of the Bernard Elementary School in the Republic of Congo. After three months of renovations, the significant improvement provided the teachers and students with a brighter and more spacious environment in which to work and study.

The Congolese Minister of Education commented, "We are very pleased to see socially responsible companies like CNOOC Congo SA operate in Congo."



Public Welfare Activities

CNOOC Limited has actively participated in public welfare activities and aims to effectively meet the needs of society through continuous investment in public welfare initiatives.

Case: CNOOC Uganda's Charity Clinic

In 2014, CNOOC Uganda Limited, with the support of the Chinese Chamber of Commerce and the Chinese Medical Team in Uganda, launched a two-day charity clinic in Hoima District, where more than 1,400 local residents received free medical care and basic medical supplies.

At the event, the Hoima District chairman said that the people of Hoima are very good friends of the Chinese people. He also said that CNOOC Uganda Limited takes its social responsibilities seriously and engages in activities such as providing training for the local students and donating school supplies. Hoima will continue to support the investments of Chinese companies in this area.



Case: Helping Children with Autism



Often referred to as "children of the stars", autistic children do not like to communicate with others and tend to shut themselves off from the world.

In March 2014, to draw more public attention as well as to improve the educational environment for children with autism, CNOOC Limited's Tianjin Branch cooperated with nearly 100 volunteers from local businesses and non-profit organizations to arrange a passionate flash mob chorus performance which was publicized on the website and attracted considerable public attention.

Case: “Super Heroes” Campaign to Raise Money

“United Way” of Calgary and Area is a charitable organization with the goal of fighting poverty, helping kids thrive and building strong communities. Nexen raised a total of CAD\$1.1 million through employee donations and its employee matching program to support United Way. The campaign theme was “From Suits to Super Heroes” and 542 Nexen employees came out on September 18, 2014 to set a GUINNESS WORLD RECORDS® achievement for the Largest Gathering of People Dressed as Batman. The goal was to show a unified spirit in kicking off Nexen’s annual United Way campaign and also to raise awareness for United Way of Calgary and Area.



Cultural Exchanges

CNOOC Limited contributed CAD\$1 million to sponsor *The Forbidden City: Inside the Court of China’s Emperors* exhibition at the Vancouver Art Gallery. The exhibition helped deepen the knowledge of Chinese traditional culture among Canadians and inspire cultural exchanges between China and Canada. The exhibit attracted the greatest number of attendees for a Fall / Winter exhibition in the history of the Gallery.

CNOOC NWS Private Limited sponsored the establishment of the Chinese Petroleum Association in Western Australia. As a non-profit organization, the association aims to serve overseas Chinese and Chinese immigrants in the community and to provide a platform for academic exchanges, friendship building and self-development of all its members.



Community Building

CNOOC Limited is committed to promoting development in the areas where we operate and actively supports community work in science, education and infrastructure construction to fulfill its responsibility as a corporate citizen.

In 2014, the Shanghai Branch facilitated the sharing of resources and utilizing complementary advantages through mutual cooperation between rural and urban areas, thereby promoting the coordinated economic and social development of urban and rural areas. The Shanghai Branch established the “CNOOC Limited and Weidong Village Public Welfare Development Fund” with Weidong Village to help extremely poor families and villagers, provide the unemployed with career training and help with the development and construction of the village.

CNOOC Uganda Limited and its partners established a non-government organization, Safe Way Right Way, to proactively carry out road safety campaigns in Uganda. Meanwhile, CNOOC Uganda Limited also contributed to setting up a Petroleum Gallery at the Uganda National Museum. In 2014, CNOOC Uganda Limited also launched AIDS publicity campaigns, which enhanced public awareness of AIDS prevention and control.

Case: Support the Canadian Communities

In 2013, Nexen pledged CAD\$1.5 million over five years to the Calgary Public Library, the largest donation the library has received in its 103-year history. The money will fund the construction of the “Library of the Future”, which is expected to open in 2018.

Nexen also donated CAD\$750,000 to support the creation of the Power Engineering Lab at Keyano College in Fort McMurray.

Case: Completion of a Road Improvement Project in Huangchuan Village

On October 9, 2014, a road improvement project partly funded by the Shenzhen Branch was completed and opened for use in Huangchuan Village, Guangdong Province.

In 2014, a 2.31 km road was renovated in Huangchuan Village. The project costs were partially paid by government-matching funds and the rest of the costs were paid by the Company. Every day, more than 1,500 villagers, about half of the village’s population, use this road. Li Weiliang, Party Secretary of Huangchuan Village, even wrote a poem to commemorate this development.



Employee Volunteers

The Company's workforce includes a group of people who are enthusiastic, unselfish and committed to public welfare undertakings.

Case: Young Volunteers Help with Orphans

In 2014, the Tianjin Branch organized a group of more than 60 young volunteers to visit children at the Guangming Orphanage and provide grocery supplies such as rice, flour and cooking oil, and members of the Volunteer Association at the CNOOC Tianjin Branch stepped in to provide assistance for all these children. As the volunteers and children interlocked bracelets that read "Blue Power", their hearts were touched with warmth and positive energy.



Case: Benefiting the Community

On September 13, 2014, the Tianjin Branch organized the young volunteers' activities to not only publicize the basics of oilfield production and safety and environmental protection to the residents, but also to provide more than 10 convenience services to the residents.



OUTLOOK

In the years to come, CNOOC Limited will continue to adhere to its business concept of Energy Saving, Environmental Friendly, Green Energy and Low Carbon. With these goals in mind, we will partner with stakeholders to fulfil our social responsibilities.

With the aim of meeting the country's energy needs, the Company will boost its exploration and development by improving its technological capabilities and production efficiency and optimizing resource allocation to ensure a stable energy supply.

At the same time, we will spare no effort to ensure operational safety and environmental protection, and treat safe production as a top priority and address all safety concerns at the source. Meanwhile, the Company will also be constantly aware of environment-protection needs,





actively deal with climate change, promote energy saving and emissions reduction, and protect the ecology of the regions in which we operate. In addition, the Company will continue to devote itself to public welfare undertakings and fulfill its responsibilities as a corporate citizen in these regions.

CNOOC Limited is committed to ensuring its sustainable development, making the fulfillment of its social responsibilities part of its daily operations and driving the balanced growth of the Company and society. In the future, we will continue to enhance sustainability, improve corporate governance, be more safety conscious and environmental friendly, protect employee interests and participate in public welfare undertakings to achieve a win-win situation for all parties concerned.

APPENDICES

The 10 Principles of UN Global Compact and the Company's Practices

Being a member of the UN Global Compact, the Company will fully comply with the 10 principles advocated by the Global Compact and fulfill our responsibility in the areas of human rights, labor rights, environmental protection and anti-corruption.

In the future, we will disclose our practices and performance results in fulfilling the 10 Principles of UN Global Compact in our CSR report on a regular basis.

	The 10 Principles	Our Practices
Human rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights;	Employees – Employment policies Public Welfare
	Principle 2: Make sure that they are not complicit in human rights abuses.	Employees – Employment policies Public Welfare
Labor	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Employees – Employment policies Public Welfare
	Principle 4: The elimination of all forms of forced and compulsory labor;	Employees – Employment policies Public Welfare
	Principle 5: The effective abolition of child labor; and	Employees – Employment policies
	Principle 6: The elimination of discrimination in respect of employment and occupation.	Employees – Employment policies Public Welfare
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges;	Vision and commitments – Commitments Safety and Environmental protection – HSE philosophy, environmental protection, operational safety, response to climate change
	Principle 8: Undertake initiatives to promote greater environmental responsibility; and	Vision and commitments – Commitments Safety and Environmental protection – HSE philosophy, environmental protection, operational safety, response to climate change
	Principle 9: Encourage the development and diffusion of environmental friendly technologies.	Vision and commitments – Commitments Safety and Environmental protection – HSE philosophy, environmental protection, operational safety, response to climate change
Anti-corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Vision and commitments – Commitments Corporate governance – Anti-corruption

Key Operating Statistics

	2012	2013	2014
Total asset (millions of RMB)	456,070	621,473	662,859
Net asset (millions of RMB)	309,780	341,620	379,610
Total revenue (millions of RMB)	247,627	285,857	274,634
Net profit (millions of RMB)	63,691	56,461	60,199
Tax payment (billions of RMB)	73.0	78.6	70.0
Earnings per share (RMB)	1.43	1.26	1.35
Net production of the year (millions of BOE)	342.4	411.7	432.5
Net proven reserves (billions of BOE)	3.49	4.43	4.48
Dividend (HK dollar)	0.47	0.57	0.57
Dividend payout ratio	26.7%	35.6%	33.5%
Dividend yield	3.1%	4.9%	5.1%





CNOOC Limited
中国海洋石油有限公司