

CNOOC LTD
Form 20-F
April 22, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2014

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report _____

Commission File Number 1-14966

CNOOC LIMITED
(Exact name of Registrant as specified in its charter)

N/A
(Translation of Registrant's name into English)

Hong Kong
(Jurisdiction of incorporation or organization)

65th Floor, Bank of China Tower
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Hong Kong
(Address of principal executive offices)

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Hong Kong
Tel +852 2213 2500
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(Name, telephone, e-mail and/or facsimile number and address of company contact person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

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Title of each class	Name of each exchange on which registered
American depositary shares, each representing 100 shares	New York Stock Exchange, Inc.
Shares	New York Stock Exchange, Inc.(1)
Securities registered or to be registered pursuant to Section 12(g) of the Act. None (Title of Class)	

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act. None
(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

Shares	44,647,455,984
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Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes No

Note – Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant is required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of “accelerated filer and large accelerated filer” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

International Financial Reporting Standards as issued by the International Accounting Standards Board

Other

If “Other” has been checked in response to the previous question, indicate by check mark which financial statement item the Registrant has elected to follow.

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

(1) Not for trading, but only in connection with the registration of American depositary shares.

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TERMS AND CONVENTIONS

Definitions

Unless the context otherwise requires, references in this annual report to:

- “CNOOC” are to our controlling shareholder, China National Offshore Oil Corporation, a PRC state-owned enterprise, or China National Offshore Oil Corporation and its subsidiaries (excluding us and our subsidiaries), as the case may be;
- “CNOOC Limited” are to CNOOC Limited, a Hong Kong limited liability company and the registrant of this annual report;
 - “Our company”, “Company”, “Group”, “we”, “our” or “us” are to CNOOC Limited and its subsidiaries;
 - “ADRs” are to the American depositary receipts that evidence our ADSs;
 - “ADSs” are to our American depositary shares, each of which represents 100 shares;
 - “Cdn\$” are to Canadian dollar, the legal currency of Canada;
- “China” or “PRC” are to the People’s Republic of China, excluding for purposes of geographical reference in this annual report, the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan;
 - “Hong Kong” are to the Hong Kong Special Administrative Region of the People’s Republic of China;
 - “Hong Kong Stock Exchange” or “HKSE” are to The Stock Exchange of Hong Kong Limited;
 - “HK\$” are to Hong Kong dollar, the legal currency of the Hong Kong Special Administrative Region;
 - “HKICPA” are to the Hong Kong Institute of Certified Public Accountants;
- “HKFRS” are to all Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards and Interpretations approved by the Council of the HKICPA;
 - “IASB” are to the International Accounting Standards Board;
- “IFRS” are to all International Financial Reporting Standards, including International Accounting Standards and Interpretations, as issued by the International Accounting Standards Board;
- “Nexen” are to Nexen Energy ULC and the companies under its management, unless otherwise expressly provided or the context of this annual report otherwise requires;
 - “NYSE” are to the New York Stock Exchange;
 - “Rmb” are to Renminbi, the legal currency of the PRC;
 - “TSX” are to the Toronto Stock Exchange; and

- “US\$” are to U.S. dollar, the legal currency of the United States of America.

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Conventions

We publish our financial statements in Renminbi. Unless otherwise indicated, we have translated amounts from Renminbi into U.S. dollars solely for the convenience of the reader at the noon buying rate for cable transfers of Renminbi per U.S. dollar certified for customs purposes by the Federal Reserve Bank of New York, as set forth in the H.10 weekly statistical release of the Federal Reserve Board on December 31, 2014 of US\$1.00=Rmb 6.2046. We have translated amounts in Hong Kong dollars solely for the convenience of the reader at the noon buying rate for cable transfers of Hong Kong dollars per U.S. dollar certified for customs purposes by the Federal Reserve Bank of New York, as set forth in the H.10 weekly statistical release of the Federal Reserve Board on December 31, 2014 of US\$1.00=HK\$ 7.7531. We have also translated amounts in Canadian dollars solely for the convenience of the reader at the noon buying rate for cable transfers of Canadian dollars per U.S. dollar certified for customs purposes by the Federal Reserve Bank of New York, as set forth in the H.10 weekly statistical release of the Federal Reserve Board on December 31, 2014 of US\$1.00=Cdn\$ 1.1601. We make no representation that the Renminbi amounts, Hong Kong dollar amounts or Canadian dollar amounts could have been, or could be, converted into U.S. dollars at those rates on December 31, 2014, or at all. For further information on exchange rates, see “Item 3—Key Information—Selected Financial Data.”

Totals presented in this annual report may not add correctly due to rounding of numbers.

For the years 2012, 2013 and 2014, approximately 36%, 52%, and 52%, respectively, of our reserves were evaluated by our internal reserve evaluation staff, and the remaining were based upon estimates prepared by independent petroleum engineering consulting companies and reviewed by us. Our reserve data for 2012, 2013 and 2014 were prepared in accordance with the SEC’s final rules on “Modernization of Oil and Gas Reporting”, which became effective for accounting periods ended on or after December 31, 2009. Except as otherwise stated, all amounts of reserve and production in this report include our interests in equity method investees.

In calculating barrels-of-oil equivalent amounts, we have assumed that 6,000 cubic feet of natural gas equals one BOE, with the exception of natural gas from South America, Oceania, and Indonesia in Asia and Yacheng 13-1/13-4 gas field in the Western South China Sea, where we have used energy equivalence for such conversion purpose.

Glossary of Technical Terms

Unless otherwise indicated in the context, references to:

- “API gravity” means the American Petroleum Institute’s scale for specific gravity for liquid hydrocarbons, measured in degrees.
- “appraisal well” means an exploratory well drilled after a successful wildcat well to gain more information on a newly discovered oil or gas reserve.
- “developed oil and gas reserves” are reserves of any category that can be expected to be recovered:

(i) through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and

(ii) through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving any well.

- “exploratory well” means a well drilled to find either a new field or a new reservoir in a field previously found to be productive of oil or gas in another reservoir. Generally, an exploratory well is any well that is not a development well, an extension well, a service well, or a stratigraphic test well.

- “LNG” means liquefied natural gas.

- “net wells” means a party’s working interests in wells.

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- “proved oil and gas reserves” means those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations— prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.

(i) The area of the reservoir considered as proved includes: (A) The area identified by drilling and limited by fluid contacts, if any, and (B) Adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geosciences and engineering data.

(ii) In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons (LKH) as seen in a well penetration unless geosciences, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty.

(iii) Where direct observation from well penetrations has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geosciences, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty.

(iv) Reserves which can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when: (A) Successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based; and (B) The project has been approved for development by all necessary parties and entities, including governmental entities.

(v) Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.

- “PSC” means production sharing contract. For more information about PSC, see “Item 4—Information on the Company—Business Overview—Regulatory Framework in the PRC.”

- “share oil” means the portion of production that must be allocated to the relevant government entity under our PSCs in the PRC.

- “undeveloped oil and gas reserves” means reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

(i) Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.

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(ii) Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances, justify a longer time.

(iii) Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, or by other evidence using reliable technology establishing reasonable certainty.

For further definitions relating to reserves:

- “reserve replacement ratio” means, for a given year, total additions to proved reserves, which consist of additions from purchases, discoveries and extensions and revisions of prior reserve estimates, divided by production during the year. Reserve additions used in this calculation are proved developed and proved undeveloped reserves; unproved reserve additions are not used. Data used in the calculation of reserve replacement ratio is derived directly from the reserve quantity reconciliation prepared in accordance with U.S. Accounting Standards Codification 932-235-50, which reconciliation is included in “Supplementary Information on Oil and Gas Producing Activities” beginning on page F-79 of this annual report.

Our reserve replacement ratio reflects our ability to replace proved reserves. A rate higher than 100% indicates that more reserves were added than produced in the period. However, this measure has limitations, including its predictive and comparative value. Reserve replacement ratio measures past performance only and fluctuates from year to year due to differences in the extent and timing of new discoveries and acquisitions. It is also not an indicator of profitability because it does not reflect the cost or timing of future production of reserve additions. It does not distinguish between reserve additions that are developed and those that will require additional time and funding to develop. As such, reserve replacement ratio is only one of the indices used by our management in formulating its acquisition, exploration and development plans.

- “reserve life” means the ratio of proved reserves to annual production of crude oil or, with respect to natural gas, to wellhead production excluding flared gas, also known as reserve-to-production ratio.
- “seismic data” means data recorded in either two-dimensional (2D) or three-dimensional (3D) form from sound wave reflections off of subsurface geology.
- “success” means a discovery of oil or gas by an exploratory well. Such an exploratory well is a successful well and is also known as a discovery. A successful well is commercial, which means there are enough hydrocarbon deposits discovered for economical recovery.

- “wildcat well” means an exploratory well drilled on any rock formation for the purpose of searching for petroleum accumulations in an area or rock formation that has no known reserves or previous discoveries.

References to:

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- bbls means barrels, which is equivalent to approximately 0.134 tons of oil (33 degrees API);
 - mmbbls means million barrels;
 - BOE means barrels-of-oil equivalent;
 - mcf means thousand cubic feet;
 - mmcf means million cubic feet;

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- bcf means billion cubic feet, which is equivalent to approximately 28.32 million cubic meters; and
 - BTU means British Thermal Unit, a universal measurement of energy.

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FORWARD-LOOKING STATEMENTS

This annual report includes “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, including statements regarding expected future events, business prospects or financial results. The words “expect”, “anticipate”, “continue”, “estimate”, “objective”, “ongoing”, “may”, “will”, “project”, “should”, “intends” and similar expressions are intended to identify such forward-looking statements.

These forward-looking statements address, among others, such issues as:

- the amount and nature of future exploration, development and other capital expenditures,
 - wells to be drilled or reworked,
 - development projects,
 - exploration prospects,
- estimates of proved oil and gas reserves,
 - development and drilling potential,
- expansion and other development trends of the oil and gas industry,
 - business strategy,
 - production of oil and gas,
 - development of undeveloped reserves,
- expansion and growth of our business and operations,
 - oil and gas prices and demand,
 - future earnings and cash flow, and
 - our estimated financial information.

These statements are based on assumptions and analysis made by us in light of our experience and our perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual results and developments will meet our expectations and predictions depend on a number of risks and uncertainties which could cause our actual results, performance and financial condition to differ materially from our expectations, including but not limited to those associated with fluctuations in crude oil and natural gas prices, our exploration or development activities, our capital expenditure requirements, our business strategy, whether the transactions entered into by us can complete on schedule pursuant to their terms and timetable or at all, the highly competitive nature of the oil and natural gas industry, our foreign operations, environmental liabilities and compliance requirements, and economic and political conditions in the PRC and overseas. For a description of these and other risks and uncertainties, see “Item 3—Key Information—Risk Factors.”

Consequently, all of the forward-looking statements made in this annual report are qualified by these cautionary statements. We cannot assure that the results or developments anticipated by us will be realized or, even if substantially realized, that they will have the expected effect on us, our business or our operations.

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SPECIAL NOTE ON THE FINANCIAL INFORMATION AND CERTAIN STATISTICAL INFORMATION
PRESENTED IN THIS ANNUAL REPORT

Our consolidated financial statements for the years ended December 31, 2012, 2013 and 2014 included in this annual report on Form 20-F have been prepared in accordance with International Financial Reporting Standards, or IFRSs, as issued by the International Accounting Standards Board.

In accordance with rule amendments adopted by the U.S. Securities and Exchange Commission, or the SEC, which became effective on March 4, 2008, we are not required to provide reconciliation to Generally Accepted Accounting Principles in the United States.

The statistical information set forth in this annual report on Form 20-F relating to China is taken or derived from various publicly available government publications that have not been prepared or independently verified by us. This statistical information may not be consistent with other statistical information from other sources within or outside China.

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PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable, but see “Item 6—Directors, Senior Management and Employees—Directors and Senior Management.”

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

A. SELECTED FINANCIAL DATA

The following tables present selected historical financial data of our company as of and for the years ended December 31, 2010, 2011, 2012, 2013 and 2014. Except for amounts presented in U.S. dollars, the selected historical consolidated statement of financial position data and consolidated statement of profit or loss and other comprehensive income data as of and for the years ended December 31, 2010, 2011, 2012, 2013 and 2014 set forth below are derived from, should be read in conjunction with, and are qualified in their entirety by reference to, our consolidated financial statements and their notes under “Item 18—Financial Statements” and “Item 5—Operating and Financial Review and Prospects” in this annual report. As disclosed above under “Special Note on the Financial Information and Certain Statistical Information Presented in This Annual Report”, our consolidated financial statements as of and for the years ended December 31, 2010, 2011, 2012, 2013 and 2014 have been prepared and presented in accordance with IFRS.

	Year ended December 31,					
	2010(1) Rmb	2011 Rmb	2012 Rmb	2013 Rmb	2014 Rmb	2014 US\$
	(in millions, except per share and per ADS data)					
Statement of profit or loss and other Comprehensive Income Data:						
Operating revenues:						
Oil and gas sales	146,134	189,279	194,774	226,445	218,210	35,169
Marketing revenues	32,446	50,469	50,771	55,495	50,263	8,101
Other income	1,456	1,196	2,082	3,917	6,161	993
Total operating revenues	180,036	240,944	247,627	285,857	274,634	44,263
Expenses:						
Operating expenses	(15,647)	(18,264)	(21,445)	(30,014)	(31,180)	(5,025)
Taxes other than income tax	(7,109)	(10,332)	(15,632)	(15,937)	(11,842)	(1,909)
Exploration expenses	(5,483)	(5,220)	(9,043)	(17,120)	(11,525)	(1,857)
Depreciation, depletion and amortization	(26,756)	(30,521)	(32,903)	(56,456)	(58,286)	(9,394)
Special oil gain levy	(17,706)	(31,982)	(26,293)	(23,421)	(19,072)	(3,074)
Impairment and provision	(27)	(22)	(31)	45	(4,120)	(664)
Crude oil and product purchases	(32,236)	(50,307)	(50,532)	(53,386)	(47,912)	(7,722)
Selling and administrative expenses	(3,039)	(2,854)	(3,377)	(7,859)	(6,613)	(1,066)
Others	(888)	(835)	(1,230)	(3,206)	(3,169)	(511)

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Total expenses	(108,891)	(150,337)	(160,486)	(207,354)	(193,719)	(31,222)
Profit from operating activities	71,145	90,607	87,141	78,503	80,915	13,041
Interest income	618	1,196	1,002	1,092	1,073	173
Finance costs	(1,122)	(1,707)	(1,603)	(3,457)	(4,774)	(769)
Exchange gains, net	995	637	359	873	1,049	169
Investment income	427	1,828	2,392	2,611	2,684	433
Share of profits of associates	199	320	284	133	232	37
Share of profits/(losses) of a joint venture	199	247	(311)	762	774	125
Non-operating income/(expenses), net	142	(563)	908	334	560	90
Profit before tax	72,603	92,565	90,172	80,851	82,513	13,299
Income tax expense	(18,193)	(22,310)	(26,481)	(24,390)	(22,314)	(3,596)
Profit for the year	54,410	70,255	63,691	56,461	60,199	9,703
Earnings per share (basic)(2)	1.22	1.57	1.43	1.26	1.35	0.22
Earnings per share (diluted) (3)	1.21	1.57	1.42	1.26	1.35	0.22
Earnings per ADS (basic) (2)	121.81	157.28	142.66	126.46	134.83	21.73
Earnings per ADS (diluted) (3)	121.39	156.63	142.14	126.07	134.57	21.69
Dividend per share						
Interim	0.181	0.204	0.122	0.198	0.198	0.03
Proposed final	0.211	0.227	0.259	0.252	0.254	0.04

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	2010(1)	2011	As of December 31,			
	Rmb	Rmb	2012	2013	2014	2014
			Rmb	Rmb	Rmb	US\$
			(in millions)			
Statement of Financial Position Data:						
Cash and cash equivalents	27,287	23,678	55,024	14,318	14,918	2,404
Available-for sale financial assets	18,940	27,576	61,795	51,103	54,030	8,708
Held-to-maturity financial assets	3,040	23,467	-	-	-	-
Current assets	99,384	131,923	170,894	146,552	140,708	22,678
Property, plant and equipment, net	186,678	220,567	252,132	419,102	463,222	74,658
Investments in associates	1,781	2,822	3,857	4,094	4,100	661
Investments in a joint venture	20,823	20,175	20,160	20,303	21,150	3,409
Intangible assets	1,148	1,033	973	17,000	16,491	2,658
Long term available-for-sale financial assets	8,616	7,365	7,051	6,798	5,337	860
Total assets	318,430	384,264	456,070	621,473	662,859	106,833
Current loans and borrowings	21,194	19,919	28,830	49,841	31,180	5,025
Current liabilities	68,423	70,216	82,437	128,948	103,498	16,681
Long term loans and borrowings, net of current portion	9,859	18,076	29,056	82,011	105,383	16,985
Total non-current liabilities	34,241	51,192	63,853	150,905	179,751	28,970
Total liabilities	102,664	121,408	146,290	279,853	283,249	45,651
Capital stock	43,078	43,078	43,078	43,081	43,081	6,943
Shareholders' equity	215,766	262,856	309,780	341,620	379,610	61,182

(1) From January 1, 2011, the Company adopted IFRS 10-Consolidated Financial Statements, IFRS 11-Joint Arrangements, IFRS 12-Disclosure of Interest in Other Entities, IAS 27 (Revised)-Separated Financial Statements and IAS 28 (Revised)-Investments in Associates and Joint Ventures before their mandatory effective date on January 1, 2013. Certain comparative figures have been adjusted.

(2) Earnings per share (basic) and earnings per ADS (basic) for each year from 2010 to 2014 have been computed, without considering the dilutive effect of the shares underlying our share option schemes by dividing profit by the weighted average number of shares and the weighted average number of ADSs of 44,669,199,984 and 446,692,000, respectively, for 2010, 44,668,570,359 and 446,685,704, respectively, for 2011, 44,646,305,984 and 446,463,060, respectively, for 2012, 44,646,825,847 and 446,468,258, respectively, for 2013, and 44,647,455,984 and 446,474,560, respectively, for 2014, in each case based on a ratio of 100 shares to one ADS.

(3) Earnings per share (diluted) and earnings per ADS (diluted) for each year from 2010 to 2014 have been computed, after considering the dilutive effect of the shares underlying our share option schemes by using 44,821,187,466 shares and 448,211,875 ADSs for 2010, 44,853,615,010 shares and 448,536,150 ADSs for 2011, 44,808,042,330 shares and 448,080,423 ADSs for 2012, 44,787,119,089 shares and 447,871,191 ADSs for 2013, and 44,734,774,504 shares and 447,347,745 ADSs for 2014.

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	Year ended December 31,										
	2010(1)	2011	2012	2013	2014	2014					
	Rmb	Rmb	Rmb	Rmb	Rmb	US\$					
(in millions, except percentages and ratios)											
Other Financial Data:											
Capital expenditures paid(2)	28,332	36,823	54,331	79,716	95,673	15,420					
Cash provided by/(used for):											
Operating activities	70,883	116,171	92,574	110,891	110,508	17,811					
Investing activities	(64,203)	(99,036)	(63,797)	(170,032)	(90,177)	(14,534)					
Financing activities	(1,610)	(20,246)	2,584	18,601	(19,486)	(3,141)					
Gearing ratio(3)	12.6 %	12.6 %	15.7 %	27.8 %	26.5 %	26.5 %					

(1) From January 1, 2011, the Company adopted IFRS 10-Consolidated Financial Statements, IFRS 11-Joint Arrangements, IFRS 12-Disclosure of Interest in Other Entities, IAS 27 (Revised)-Separated Financial Statements and IAS 28 (Revised)-Investments in Associates and Joint Ventures before their mandatory effective date on January 1, 2013. Certain comparative figures have been adjusted.

(2) Capital expenditures paid exclude those relating to acquisition of oil and gas properties.

(3) Interest bearing debt divided by the sum of interest bearing debt and equity.

The following table sets forth the noon buying rates between U.S. dollars and Renminbi as set forth in the H.10 weekly statistical release of the Federal Reserve Board for the periods indicated:

Period	End	Noon Buying Rate		
		Average(1)	High	Low
(Rmb per US\$1.00)				
2010	6.6000	6.7603	6.8330	6.6000
2011	6.2939	6.4475	6.6364	6.2939
2012	6.2301	6.2990	6.3879	6.2221
2013	6.0537	6.1412	6.2438	6.0537
2014	6.2046	6.1704	6.2591	6.0402
October 2014	6.1124	—	6.1385	6.1107
November 2014	6.1429	—	6.1429	6.1117
December 2014	6.2046	—	6.2256	6.1490
January 2015	6.2495	—	6.2535	6.1870
February 2015				