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CNOOC Limited
(中國海洋石油有限公司)

(Incorporated in Hong Kong with limited liability under the Companies Ordinance)
Stock Codes: 00883 (HKD counter) and 80883 (RMB counter)

2025 Annual Results Announcement

CHAIRMAN'S STATEMENT

Dear shareholders,

As the year renews, we forge ahead with dedication. Looking back on 2025, our world, our times, and history were changing in ways like never before, accompanied by significantly heightened uncertainties. In the face of the severe and complex external situation and the downward pressure from volatile international oil prices, CNOOC Limited pursued progress while maintaining stability. We endeavored to boost reserves and production with a pragmatic and enterprising approach; accelerated innovation and development with a race-against-time spirit; ensured safety and environmental protection with an unrelenting sense of responsibility; focused on cost reduction and efficiency enhancement through practical and effective measures, thereby successfully accomplishing our annual goals.

Oil and gas reserves lay the foundation for steady and long-term growth. In 2025, the Company achieved significant results in exploration by adhering to the value-driven exploration principle. Our oil and gas reserves reached new heights, and we were honored with the “Global Best NOC Explorer” Award for the first time. Aiming to discover large and medium-sized oil and gas fields, we have made significant exploration breakthroughs in areas like shallow lithology. Meanwhile, we successfully discovered and appraised multiple oil and gas fields both domestically and internationally, and acquired several exploration blocks, thereby solidifying the resource foundation for our long-term development.

Oil and gas production is essential to ensuring a stable energy supply. In 2025, we accelerated key projects implementation and continuously improved the “quantity, quality and efficiency” of production capacity construction, with 16 new projects successfully coming on stream. We achieved remarkable results in the development of producing oilfields, with reserve utilization rate and recovery rate continuously improving and natural decline rate remaining stable. Net oil and gas production for the year of 2025 reached a new record high of 777.3 million BOE, representing a year-on-year increase of 7%. Offshore oil and gas has become a critical contributor to China’s reserves and production growth.

Green and low-carbon development stands as a strategic choice for transition and upgrading. In 2025, the Company made solid progress in acquiring large-scale offshore wind power resources and advancing demonstration projects, while emerging businesses such as CCS/CCUS developed in a steady and orderly manner. Adhering to the integrated development of oil and gas business with new energy business, the world’s first 16MW tension leg floating wind power platform project and the Hainan CZ7 offshore wind project were successively launched; China’s first offshore CCUS demonstration project was successfully put into operation at Enping 15-1 platform of South China Sea; and solid progress was made in the feasibility studies for the “onshore carbon offshore storage” initiative and the integrated energy demonstration projects covering oil, gas, electricity, hydrogen, and carbon.

Technological innovation powers our organic growth. In 2025, the Company achieved remarkable progress in core technological breakthroughs. Reserves and production growth was driven by major scientific and technological initiatives in exploration and development. Milestones were achieved in the independent development of deepwater subsea Christmas trees and control systems. The Company steadily advanced its digital and intelligent transformation, deepened the implementation of the “AI+” initiative. The Company further raised the proportion of unmanned offshore platforms, effectively reduced production losses through typhoon mode operations, and saw its “Shenhai-1” gas field selected for China’s first batch of lighthouse-class smart factories cultivation list.

Safety serves as the fundamental guarantee for operations. In 2025, the Company vigorously implemented targeted safety initiatives, conducted thorough hazard investigation and remediation in key areas, and effectively responded to the impact of natural disasters such as super typhoons, thereby maintaining stable safety performance throughout the year.

Cost reduction and efficiency enhancement serve as a sustainable pathway to value creation. In 2025, the Company achieved operating revenues of RMB398.2 billion and net profits attributable to equity shareholders of the Company of RMB122.1 billion, maintaining profitability resilience. Our all-in cost was US\$27.9 per BOE, further strengthening our cost competitiveness. The Company attaches importance to shareholder returns. In order to share the fruits of development with all shareholders, the Board of Directors has recommended a final dividend of HK\$0.55 per share (tax inclusive) for 2025.

In 2025, Mr. Wang Dongjin ceased to serve as the Chairman and Non-Executive Director of the Company; Mr. Zhou Xinhuai resigned from his positions as Vice Chairman, Executive Director, and Chief Executive Officer; Mr. Chiu Sung Hong and Mr. Chan Chak Ming ceased to serve as Independent Non-Executive Directors. Recently, Mr. Huang Yongzhang was appointed as Vice Chairman, Executive Director, Chief Executive Officer and President; Mr Yan Hongtao resigned as Executive Director and President; Ms. Mu Xiuping resigned as Executive Director. On behalf of the Board, I would like to extend our congratulations to Mr. Huang Yongzhang and express our sincere gratitude to all the departing directors for their contributions to the Company’s development during their tenure.

Going forward, the global energy transition will enter a new phase, energy technology innovations will accelerate, and the proportion of new energy will gradually increase. China’s economy is expected to maintain stable growth, offering significant opportunities for the Company’s development. Tapping into the immense potential of marine energy resources, we will adhere to our “First Curve” of oil and gas business while simultaneously creating a “Second Curve” for growth in areas such as new energy and new industries, accelerating the transition from old to new growth drivers and facilitating the transformation of our development model. We will solidify our development foundation by increasing oil and gas reserves and production, empower our growth momentum through value creation, drive industrial upgrading with innovation, build competitive advantages through international expansion, and accumulate growth potential with green and low-carbon initiatives, thus striving to build a world-class energy and resources group with distinctive maritime characteristics.

A new blueprint unfolds, and the journey ahead calls for unwavering commitment. We sincerely invite all shareholders to join us in a pioneering journey of industrial progress.

Zhang Chuanjiang
Chairman

26 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2025

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

	Notes	2025	2024
REVENUE			
Revenue recognised from contracts with customers			
Oil and gas sales	3	335,652	355,615
Marketing revenues	3	53,684	55,142
Other revenue		8,884	9,749
		<u>398,220</u>	<u>420,506</u>
EXPENSES			
Operating expenses		(40,273)	(38,227)
Taxes other than income tax		(18,194)	(20,276)
Exploration expenses		(15,365)	(13,860)
Depreciation, depletion and amortisation	5	(79,771)	(74,606)
Special oil gain levy		(2,044)	(8,297)
Impairment and provision recognised, net	5	(3,809)	(8,047)
Expected credit losses	5	(9)	(29)
Crude oil and product purchases		(47,646)	(50,035)
Selling and administrative expenses		(12,039)	(11,140)
Others		(9,477)	(11,284)
		<u>(228,627)</u>	<u>(235,801)</u>
PROFIT FROM OPERATING ACTIVITIES		169,593	184,705
Interest income	5	5,062	4,582
Finance costs	6	(6,512)	(6,096)
Exchange gains/(losses), net		627	(1,318)
Investment income	5	211	5,258
Share of profits of associates		582	757
Share of (losses)/profits of a joint venture		(1,054)	1,079
Other income, net		1,130	1,009
		<u>169,639</u>	<u>189,976</u>
PROFIT BEFORE TAX	5	169,639	189,976
Income tax expense	7	(47,491)	(51,994)
		<u>122,148</u>	<u>137,982</u>
PROFIT FOR THE YEAR		122,148	137,982
Attributable to:			
Equity shareholders of the Company		122,082	137,936
Non-controlling interests		66	46
		<u>122,148</u>	<u>137,982</u>

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

YEAR ENDED 31 DECEMBER 2025

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

	<i>Notes</i>	2025	2024
OTHER COMPREHENSIVE (EXPENSE)/INCOME			
Other comprehensive (expense)/income (net of tax) attributable to equity shareholders of the Company			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translation of foreign operations		(7,000)	4,486
Share of other comprehensive income/(expense) of associates		49	(78)
Cash flow hedge reserves		5	15
Other items that will not be reclassified to profit or loss:			
Fair value change on equity investments designated as at fair value through other comprehensive income/(expense)		4	(175)
Change on remeasurement of defined benefit plan		349	138
		<u> </u>	<u> </u>
Other comprehensive income (net of tax) attributable to non-controlling interests		<u> </u>	<u> </u>
		<u> </u>	<u> </u>
OTHER COMPREHENSIVE (EXPENSE)/INCOME FOR THE YEAR, NET OF TAX		<u>(6,593)</u>	<u>4,386</u>
		<u> </u>	<u> </u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>115,555</u>	<u>142,368</u>
		<u> </u>	<u> </u>
Attributable to:			
Equity shareholders of the Company		115,489	142,322
Non-controlling interests		66	46
		<u> </u>	<u> </u>
		<u>115,555</u>	<u>142,368</u>
		<u> </u>	<u> </u>
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY			
Basic (RMB Yuan)	8	2.57	2.90
Diluted (RMB Yuan)	8	2.57	2.90

Details of the dividends proposed and paid for the year are disclosed in note 9 to the consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2025

(All amounts expressed in millions of Renminbi)

	<i>Notes</i>	2025	2024
NON-CURRENT ASSETS			
Property, plant and equipment		666,370	632,410
Right-of-use assets		11,834	12,755
Intangible assets		16,522	16,961
Investments in associates		24,072	25,047
Investment in a joint venture		21,747	23,444
Debt investment		9,305	8,504
Equity investments		23	18
Deferred tax assets	7	23,579	25,465
Other non-current assets		29,724	47,068
Total non-current assets		803,176	791,672
CURRENT ASSETS			
Inventories and supplies		6,090	5,732
Trade receivables	10	32,971	33,661
Other financial assets		25,998	45,771
Derivative financial instruments		–	4
Other current assets		15,629	12,837
Time deposits with maturity over three months but within one year		136,016	72,912
Cash and cash equivalents		78,679	81,284
Assets held for sale		–	12,408
Total current assets		295,383	264,609
CURRENT LIABILITIES			
Loans and borrowings	12	1,308	20,084
Trade and accrued payables	11	59,631	59,685
Lease liabilities		2,046	2,264
Contract liabilities		804	508
Other payables and accrued liabilities		10,625	11,207
Derivative financial instruments		20	12
Taxes payable		16,819	19,949
Liabilities held for sale		–	5,166
Total current liabilities		91,253	118,875
NET CURRENT ASSETS		204,130	145,734
TOTAL ASSETS LESS CURRENT LIABILITIES		1,007,306	937,406

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

31 DECEMBER 2025

(All amounts expressed in millions of Renminbi)

	<i>Notes</i>	2025	2024
NON-CURRENT LIABILITIES			
Loans and borrowings		58,832	61,243
Lease liabilities		7,614	8,296
Provision for dismantlement		116,039	99,740
Deferred tax liabilities	7	13,589	12,521
Other non-current liabilities		6,048	6,170
		<hr/>	<hr/>
Total non-current liabilities		202,122	187,970
		<hr/>	<hr/>
NET ASSETS			
		805,184	749,436
		<hr/>	<hr/>
EQUITY			
Issued capital	13	75,180	75,180
Reserves		727,570	672,368
		<hr/>	<hr/>
Equity attributable to equity shareholders of the Company		802,750	747,548
		<hr/>	<hr/>
Non-controlling interests		2,434	1,888
		<hr/>	<hr/>
TOTAL EQUITY			
		805,184	749,436
		<hr/>	<hr/>

Zhang Chuanjiang
Director

Huang Yongzhang
Director

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

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

1. CORPORATE INFORMATION

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

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

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

2.1 STATEMENT OF COMPLIANCE

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

The financial information for the years ended 31 December 2025 and 2024 included in this announcement does not constitute the Company’s statutory annual consolidated financial statements required for such two years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with Section 436 of the Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by Section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance, and the Company will deliver the financial statements for the year ended 31 December 2025 in due course.

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

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The IASB has issued the following amended IFRS Accounting Standards that are first effective for the current accounting year commencing 1 January 2025 or later but available for early adoption. The equivalent amendments to HKFRS Accounting Standards consequently issued by the HKICPA have the same effective dates as those issued by the IASB and are in all material aspects identical to the pronouncements issued by the IASB.

The accounting policies adopted are consistent with those of the year ended 31 December 2024, except for the first time adoption of the amendments to IFRS Accounting Standards/HKFRS Accounting Standards effective for and relevant to the Company and its subsidiaries’ financial year beginning on 1 January 2025. The application of the amendments to IFRS Accounting Standards/HKFRS Accounting Standards in the current year has had no material impact on the accounting policies, the disclosures or the amounts recognised in the consolidated financial statements of the Company and its subsidiaries.

3. OIL AND GAS SALES AND MARKETING REVENUES

	2025	2024
Oil and gas sales	<u>335,652</u>	<u>355,615</u>
Marketing revenues	<u>53,684</u>	<u>55,142</u>

4. SEGMENT INFORMATION

(a) Segment results

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

The following table presents the segment financial information of the Company and its subsidiaries for the years ended 31 December 2025 and 2024:

	E&P		Trading business		Corporate		Eliminations		Consolidated	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
External revenue	86,183	105,125	311,578	314,833	459	548	-	-	398,220	420,506
Intersegment revenue*	<u>258,014</u>	<u>257,033</u>	<u>(257,740)</u>	<u>(259,576)</u>	<u>1,153</u>	<u>856</u>	<u>(1,427)</u>	<u>1,687</u>	<u>-</u>	<u>-</u>
Total revenue	<u>344,197</u>	<u>362,158</u>	<u>53,838</u>	<u>55,257</u>	<u>1,612</u>	<u>1,404</u>	<u>(1,427)</u>	<u>1,687</u>	<u>398,220</u>	<u>420,506</u>
Segment profit for the year	<u>122,170</u>	<u>137,592</u>	<u>4,467</u>	<u>3,954</u>	<u>4,807</u>	<u>14,073</u>	<u>(9,296)</u>	<u>(17,637)</u>	<u>122,148</u>	<u>137,982</u>
Amounts included in the measure of segment profit or loss										
Operating expenses	(40,305)	(37,962)	-	-	-	-	32	(265)	(40,273)	(38,227)
Taxes other than income tax	(17,948)	(20,040)	(187)	(170)	(59)	(66)	-	-	(18,194)	(20,276)
Exploration expenses	(15,365)	(13,860)	-	-	-	-	-	-	(15,365)	(13,860)
Depreciation, depletion and amortisation	(79,095)	(73,224)	(52)	(49)	(710)	(715)	86	(618)	(79,771)	(74,606)
Impairment and provision	(3,652)	(8,075)	-	-	(166)	(1)	-	-	(3,818)	(8,076)
Selling and administrative expenses	(9,052)	(8,575)	(352)	(330)	(2,721)	(2,411)	86	176	(12,039)	(11,140)
Interest income	946	786	292	310	3,824	3,486	-	-	5,062	4,582
Finance costs	(5,347)	(5,350)	(175)	(118)	(3,221)	(3,532)	2,231	2,904	(6,512)	(6,096)
Share of (losses)/profits of associates and a joint venture	69	134	-	-	(541)	1,702	-	-	(472)	1,836
Income tax expense	<u>(46,194)</u>	<u>(49,730)</u>	<u>(937)</u>	<u>(728)</u>	<u>(392)</u>	<u>(1,370)</u>	<u>32</u>	<u>(166)</u>	<u>(47,491)</u>	<u>(51,994)</u>
Other segment information										
Investments in associates and a joint venture	15,781	17,462	-	-	30,038	31,029	-	-	45,819	48,491
Others	<u>590,151</u>	<u>585,869</u>	<u>44,756</u>	<u>43,902</u>	<u>556,280</u>	<u>536,988</u>	<u>(138,447)</u>	<u>(158,969)</u>	<u>1,052,740</u>	<u>1,007,790</u>
Segment assets	<u>605,932</u>	<u>603,331</u>	<u>44,756</u>	<u>43,902</u>	<u>586,318</u>	<u>568,017</u>	<u>(138,447)</u>	<u>(158,969)</u>	<u>1,098,559</u>	<u>1,056,281</u>
Segment liabilities	<u>(322,924)</u>	<u>(312,077)</u>	<u>(28,146)</u>	<u>(28,287)</u>	<u>(122,497)</u>	<u>(156,520)</u>	<u>180,192</u>	<u>190,039</u>	<u>(293,375)</u>	<u>(306,845)</u>
Capital expenditure	<u>120,970</u>	<u>135,775</u>	<u>13</u>	<u>8</u>	<u>984</u>	<u>749</u>	<u>-</u>	<u>-</u>	<u>121,967</u>	<u>136,532</u>

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

4. SEGMENT INFORMATION (CONTINUED)

(b) Geographical information

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

In presenting the Company and its subsidiaries' geographical information, revenues from external customers are attributed to the segments based on the locations of the Company and its subsidiaries' customers. Non-current assets are attributed to the segments based on the locations of the Company and its subsidiaries' assets. Revenues from PRC customers account for 64% (2024: 64%) of the total for the Company and its subsidiaries, and revenues from customers in other locations are individually less than 10%.

The following table presents certain non-current assets information for the Company and its subsidiaries by geographical information for the years ended 31 December 2025 and 2024.

	PRC		Canada		Others		Consolidated	
	2025	2024	2025	2024	2025	2024	2025	2024
Property, plant and equipment	402,416	372,099	79,311	81,714	184,643	178,597	666,370	632,410
Right-of-use assets	9,823	10,361	463	537	1,548	1,857	11,834	12,755
Investments in associates and a joint venture	9,171	8,441	–	–	36,648	40,050	45,819	48,491
Other non-current assets	28,247	46,128	1,261	761	216	179	29,724	47,068

(c) Information about major customers

The current year's revenue of approximately RMB29,601 million (2024: RMB20,702 million) was from sales by the E&P segment and the trading business segment to China Petroleum & Chemical Corporation.

5. PROFIT BEFORE TAX

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

	2025	2024
Crediting:		
Interest income from bank deposits	<u>(5,062)</u>	<u>(4,582)</u>
Investment income	<u>(211)</u>	<u>(5,258)</u>
Insurance compensation for assets losses	<u>(667)</u>	<u>(70)</u>
Charging:		
Auditors' remuneration:		
– Audit fee	73	73
– Other fees	<u>14</u>	<u>14</u>
	<u>87</u>	<u>87</u>
Employee wages, salaries, allowances and social security costs	<u>12,946</u>	<u>12,149</u>
Impairment and provision:		
– Property, plant and equipment	2,059	2,850
– Provision of expected credit losses, net	9	29
– Others	<u>1,750</u>	<u>5,197</u>
	<u>3,818</u>	<u>8,076</u>
Depreciation, depletion and amortisation:		
– Property, plant and equipment	77,602	72,460
– Right-of-use assets	2,635	2,463
– Intangible assets	883	920
– Net amount capitalised	<u>(1,349)</u>	<u>(1,237)</u>
	<u>79,771</u>	<u>74,606</u>
Lease payments not included in the measurement of lease liabilities	<u>568</u>	<u>437</u>
Repairs and maintenance	<u>6,804</u>	<u>6,358</u>
Research and development costs	<u>3,112</u>	<u>3,436</u>
Loss on disposal of property, plant and equipment	<u>13</u>	<u>5</u>

6. FINANCE COSTS

	2025	2024
Interest on bank loans	250	480
Interest on other loans	2,571	3,342
Interest on lease liabilities	492	501
Other borrowing costs	<u>4</u>	<u>23</u>
Total borrowing costs	<u>3,317</u>	<u>4,346</u>
Less: Amount capitalised	<u>(651)</u>	<u>(1,539)</u>
	<u>2,666</u>	<u>2,807</u>
Other finance costs:		
Unwinding of discount on provision for dismantlement	<u>3,846</u>	<u>3,289</u>
	<u><u>6,512</u></u>	<u><u>6,096</u></u>

As at 31 December 2025, the capitalised interest rate per annum varied from 1.08% to 7.875% (2024: from 1.08% to 7.875%).

7. INCOME TAX

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

	2025	2024
Current tax		
Provision for PRC enterprise income tax on the estimated taxable profits for the year	34,063	36,877
Provision for overseas enterprise income tax on the estimated taxable profits for the year	<u>10,662</u>	<u>9,503</u>
Deferred tax		
Temporary differences in the current year	2,252	5,536
Effect of changes in tax rates	<u>514</u>	<u>78</u>
Income tax expense for the year	<u><u>47,491</u></u>	<u><u>51,994</u></u>

7. INCOME TAX (CONTINUED)

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

	2025	2024
	%	%
PRC statutory enterprise income tax rate	25.0	25.0
Effect of different tax rates for subsidiaries	0.7	0.2
Effect of changes in tax rates	0.3	–
Tax reported in equity-accounted entities within China	(0.1)	(0.1)
Others	2.1	2.3
Effective income tax rate	<u>28.0</u>	<u>27.4</u>

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

	2025	2024
Opening balance	12,944	17,717
Credit to the profit or loss	(2,766)	(5,614)
Charge to equity	(120)	(30)
Others	197	585
Exchange differences	(265)	286
Closing balance	<u>9,990</u>	<u>12,944</u>

8. EARNINGS PER SHARE

	2025	2024
Earnings:		
Profit for the purpose of basic and diluted earnings per share calculation	<u>122,082</u>	<u>137,936</u>
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share and diluted earnings per share	<u>47,529,953,984</u>	<u>47,553,280,140</u>
Earnings per share:		
Basic (RMB Yuan)	2.57	2.90
Diluted (RMB Yuan)	<u>2.57</u>	<u>2.90</u>

The Company had no potentially dilutive ordinary shares in issue during the years ended 31 December 2025 and 2024.

9. DIVIDENDS

	2025	2024
Dividend per ordinary share:		
2025 interim dividend – HK\$0.73 (2024: interim dividend HK\$0.74) per ordinary share	31,664	32,146
2024 final dividend – HK\$0.66 (2023: final dividend HK\$0.66) per ordinary share	<u>28,693</u>	<u>28,589</u>

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

10. TRADE RECEIVABLES

The aging of trade receivable and related expected credit loss allowance is analysed as follows:

	2025		
	Trade receivables	Expected credit loss allowance	Proportion of accrual (%)
Within one year	32,995	61	0.18
Over one year but within two years	2	1	50.00
Over two years but within three years	4	4	100.00
Over three years	90	54	60.00
	<u>33,091</u>	<u>120</u>	<u>0.36</u>
	2024		
	Trade receivables	Expected credit loss allowance	Proportion of accrual (%)
Within one year	33,672	60	0.18
Over one year but within two years	11	4	36.36
Over two years but within three years	3	3	100.00
Over three years	87	45	51.72
	<u>33,773</u>	<u>112</u>	<u>0.33</u>

The credit terms of the Company and its subsidiaries are generally within 30 days after the delivery of oil and gas. Payment in advance or security deposit may be required from customers, depending on their credit ratings. Trade receivables are non-interest bearing. Substantially all customers have strong credit quality and good repayment history, with no significant receivables past due.

11. TRADE AND ACCRUED PAYABLES

	2025	2024
Amounts due to suppliers and partners	57,575	57,874
Amounts due to third party trader	<u>2,056</u>	<u>1,811</u>
	<u><u>59,631</u></u>	<u><u>59,685</u></u>

As at 31 December 2025 and 31 December 2024, substantially all the trade and accrued payables were aged within six months. The trade and accrued payables are non-interest bearing.

12. LOANS AND BORROWINGS

The details of note repaid during the year ended 31 December 2025 are as follows:

Issued by	Maturity	Coupon Rate	Principal Amount USD million
CNOOC Finance (2015) U.S.A. LLC	<u>2025</u>	<u>3.50%</u>	<u>2,000</u>

13. SHARE CAPITAL

	Number of shares	Issued share capital equivalent of RMB million
Issued and fully paid:		
Ordinary shares with no par value		
As at 1 January 2024	47,566,763,984	75,180
Repurchase of own shares and cancelled ⁽¹⁾	<u>(36,810,000)</u>	<u>—</u>
As at 31 December 2024 and at 1 January 2025	<u><u>47,529,953,984</u></u>	<u><u>75,180</u></u>
As at 31 December 2025	<u><u>47,529,953,984</u></u>	<u><u>75,180</u></u>
Of which: Shares listed on HKSE	44,539,953,984	
Shares listed on the Shanghai Stock Exchange	<u><u>2,990,000,000</u></u>	

(1) During the year ended 31 December 2024, the Company repurchased and cancelled 36,810,000 of its own shares with an aggregate amount of HK\$727 million listed on HKSE, equivalent to approximately RMB663 million. Such buy-backs were financed out of the Company's distributable profits, as a result, the payment was reduced from the Company's "Retained earnings".

There was no changes in the share capital and number of shares during the year ended 31 December 2025.

14. SUBSEQUENT EVENTS

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

DEVELOPMENT STRATEGY

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

Focus on reserves and production growth

The Company keeps its focus on profitability, and expands reserves and production through exploration, development, production and value-driven acquisitions. In terms of exploration, the Company will adhere to the strategy of stabilising oil and increasing gas, and weighting more on gas to stabilise the exploration in Bohai, accelerate exploration in the South China Sea, expand exploration in the East China Sea, explore in the Yellow Sea, strengthen overseas exploration and promote unconventional exploration. In terms of development and production, to achieve profitable production growth, the Company actively promotes the construction of key projects and maintains a stable and increasing production in producing oil and gas fields.

Develop natural gas business

The Company implements the low-carbon development concept, solidly promotes offshore gas exploration and development, and increases its efforts in onshore unconventional gas exploration and development.

Maintain prudent financial policies

The Company upholds our prudent financial policies. Thanks to years of sustained efforts to increase reserves and production and improve quality and efficiency, the Company's profitability continued to increase and its financial position is in good condition. The Company considers cost control as one of the key indicators in the performance appraisal and evaluation system, and continuously consolidate its competitive cost structure.

2025 OVERVIEW

In 2025, geopolitical conflicts continued, inflation generally declined, and global economic growth remained weak overall. According to the International Monetary Fund, the global economic growth rate was 3.3%. Growth prospects for different economies diverge significantly: the US economy remained relatively resilient; the European economic growth performed worse than expected; and China's economy grew steadily by 5.0% year-on-year, with continued structural improvements. Affected by multiple factors such as economic growth expectations, geopolitical situation, market supply and demand, and monetary policy, international oil prices generally showed a volatile downward trend. The average price of Brent crude oil in 2025 was US\$68.2 per barrel, representing a year-on-year decrease of approximately 14.6%.

In 2025, China's oil and gas industry continued to promote high-quality development, achieving remarkable results in exploration and development. Both oil and gas reserves and production reached record highs, providing solid support for the stable operation of China's economy and society.

In the face of a complex and severe external environment, CNOOC Limited pursued oil and gas reserves and production growth, reaching new highs in both net proved reserves and net production. The Company promoted independent scientific and technological innovation, advanced green energy transition, and implemented upgrading initiatives of quality and efficiency enhancement, thereby continuously strengthening its value creation capabilities.

The basic earnings per share and diluted earnings per share of the Company during the year ended 31 December 2025 were RMB2.57 and RMB2.57 respectively. The Board of Directors has recommended the payment of a final dividend of HK\$0.55 per share (tax inclusive).

FINANCIAL RESULTS

Net profit attributable to equity shareholders of the Company

Our net profit attributable to equity shareholders of the Company decreased by 11.5% to RMB122,082 million in 2025 from RMB137,936 million in 2024, primarily as a result of the continuous increase of reserves and production, and enhancement of quality and efficiency, which partially offset the adverse impact of lower oil prices.

Revenues

The Company's revenues decreased by 5.3% to RMB398,220 million in 2025 from RMB420,506 million in 2024, mainly due to the combined impact of the increase of oil and gas sales volume and the decrease of international oil price. Oil and gas sales revenue, oil and gas prices and sales volume year-on-year data are as follows:

	2025	2024	Change Amount	%
Oil and gas sales (RMB million)	335,652	355,615	(19,963)	(5.6)
Crude and liquids	279,786	307,812	(28,026)	(9.1)
Natural gas	55,866	47,803	8,063	16.9
Sales volume (million BOE)*	757.6	712.3	45.3	6.4
Crude and liquids (million barrels)	589.2	562.9	26.3	4.7
Natural gas (bcf)	984.0	870.3	113.7	13.1
Realised prices				
Crude and liquids (US\$/barrel)	66.47	76.75	(10.28)	(13.4)
Natural gas (US\$/mcf)	7.95	7.72	0.23	3.0

* Excluding our interest in equity-accounted investees.

Operating expenses

Our total amounts of operating expenses increased by 5.4% to RMB40,273 million in 2025 from RMB38,227 million in 2024, mainly due to the increase of total operating expenses as a result of the increased production. Our operating expenses per BOE decreased by 2.0% to US\$7.46 per BOE in 2025 from US\$7.61 per BOE in 2024. In particular, the operating expenses per BOE in China decreased by 1.7% to US\$6.75 per BOE in 2025 from US\$6.87 per BOE in 2024. Overseas operating expenses per BOE decreased by 1.4% to US\$9.18 per BOE in 2025 from US\$9.31 per BOE in 2024. The Company focused on enhancing quality and efficiency to reduce costs, and the operating expenses per BOE were well controlled.

Taxes other than income tax

Our taxes other than income tax decreased by 10.3% to RMB18,194 million in 2025 from RMB20,276 million in 2024, mainly due to the decrease in oil prices.

Exploration expenses

Exploration expenses of the Company was RMB15,365 million in 2025 compared with RMB13,860 million in 2024, mainly due to higher exploration investment and expenses from increased frontier exploration efforts, while maintaining its value-driven exploration approach.

Depreciation, depletion and amortisation

Our total amount of depreciation, depletion and amortisation increased by 6.9% to RMB79,771 million in 2025 from RMB74,606 million in 2024, mainly due to increases of oil and gas sales volume.

Impairment and provision

Our impairment and provision was RMB3,809 million in 2025 compared with RMB8,047 million in 2024, primarily due to the impact of impairment provision for overseas assets.

Selling and administrative expenses

Our selling and administrative expenses increased by 8.1% to RMB12,039 million in 2025 from RMB11,140 million in 2024, mainly due to the increase in costs associated with higher oil and gas sales.

Interest income

Our interest income increased by 10.5% to RMB5,062 million in 2025 from RMB4,582 million in 2024, primarily due to the combined impact of the average scale of bank deposits and the changes in interest rates.

Net exchange gains/losses

Our net exchange gains was RMB627 million in 2025 compared with net exchange losses of RMB1,318 million in 2024, primarily arising from euro and Hong Kong dollar exchange rate fluctuations against U.S. dollar.

Share of losses/profits of associates/a joint venture

The Company's share of losses of associates/a joint venture was RMB472 million in 2025 compared with profits of RMB1,836 million in 2024, mainly due to the impact of lower profits of associates/a joint venture.

Income tax expense

Our income tax expense decreased by 8.7% to RMB47,491 million in 2025 from RMB51,994 million in 2024, mainly due to a decrease in the Company's overall profit before tax.

Assets, liabilities and equity

Items	31 December 2025 RMB million	31 December 2024 RMB million	Change (%)
Current assets	295,383	264,609	11.6
Non-current assets	803,176	791,672	1.5
Total assets	1,098,559	1,056,281	4.0
Current liabilities	91,253	118,875	(23.2)
Non-current liabilities	202,122	187,970	7.5
Total liabilities	293,375	306,845	(4.4)
Equity attributable to equity shareholders of the Company	802,750	747,548	7.4
Non-controlling interests	2,434	1,888	28.9
Total equity	805,184	749,436	7.4

The Company continued to maintain sound financial condition. As of 31 December 2025, our total assets and total liabilities reached RMB1,098,559 million and RMB293,375 million, respectively. In particular:

Current assets amounted to RMB295,383 million, representing an increase of 11.6% from RMB264,609 million at the end of 2024, mainly due to the increase in monetary funds.

Non-current assets amounted to RMB803,176 million, representing an increase of 1.5% from RMB791,672 million at the end of 2024, mainly due to the increase in property, plant and equipment.

Current liabilities amounted to RMB91,253 million, representing a decrease of 23.2% from RMB118,875 million at the end of 2024, mainly due to the decrease in the loans and borrowings.

Non-current liabilities amounted to RMB202,122 million, representing an increase of 7.5% from RMB187,970 million at the end of 2024, mainly due to the increase in expected liabilities.

CAPITAL RESOURCES AND LIQUIDITY

Overview

Our primary source of cash in 2025 was cash flows from operating activities. We used cash primarily to fund capital expenditure and dividends, with major changes shown in the table below:

	2025	2024	Change	
	RMB million	RMB million	RMB million	%
Generated from operating activities	209,042	220,891	(11,849)	(5.4)
Used in investing activities	(125,264)	(175,426)	50,162	(28.6)
Used in financing activities	(85,983)	(97,935)	11,952	(12.2)

Net cash inflows from operating activities

The net cash flows from operating activities decreased by 5.4% to RMB209,042 million in 2025 from RMB220,891 million in 2024, primarily due to a decrease in revenue from oil and gas sales.

Net cash outflows from investing activities

Our capital expenditure payment decreased by 9.6% to RMB111,555 million in 2025 from RMB123,359 million in 2024. Our investments in 2025 mainly focused on oil and gas exploration and development.

In addition, our cash used in investing activities was also attributable to the purchase of structured deposits of RMB23,000 million during the year. Our cash generated from investing activities was mainly from the redemption of wealth management products and structured deposits, etc., amounting to RMB42,113 million at maturity, as well as the increase of our time deposits with maturity over three months of RMB45,273 million.

Net cash outflows from financing activities

In 2025, the Company's net cash outflows from financing activities was mainly due to the repayment of bonds and loans of RMB19,692 million and the payment of dividends of RMB60,432 million.

At the end of 2025, our total interest-bearing debt was RMB69,800 million, compared with RMB91,887million at the end of 2024. The decrease in debt in 2025 was primarily attributable to the repayment of bonds and loans and changes in the exchange rate during the year.

Capital Expenditure

The following table sets forth the Company's actual oil and gas capital expenditure for the periods indicated:

	Year ended 31 December	
	2024	2025
	(RMB million)	
China		
Development	74,261	63,127
Exploration	16,634	17,894
Subtotal	90,895	81,021
Overseas		
Development	36,896	36,446
Exploration	2,424	1,362
Subtotal	39,320	37,808
Total	130,215	118,829

Note 1: Capitalised interests for 2024 and 2025 were RMB1,539 million and RMB651 million, respectively.

Note 2: Development capital expenditures include capital expenditures for development and production capitalized.

OTHERS

Employees

As of 31 December 2025, the Company had 20,810 employees in China, 1,235 employees overseas and 1,039 contracted employees.

CHARGES ON ASSETS

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

CONTINGENCIES

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

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

OUTLOOK FOR 2026

Looking ahead to 2026, the world faces heightened geopolitical risks and successive waves of regional conflicts, and uncertainty surrounding oil prices is set to increase markedly. Global inflationary pressures increase, economic growth remains weak, and growth divergence among different economies will further intensify. Supported by its proactive and favorable macro policies, China's consumer and investment markets are set to recover, injecting new momentum into the economy and positioning the country to continue serving as the main engine of global economic growth.

Energy transition is unstoppable, with oil and natural gas maintaining their dominant position for a considerable period. Building on its sustained recovery and improvement, China's economy continues to provide critical support for global oil and gas demand. Offshore oil and gas represent a key strategic area for China's future production growth, offering vast prospects and development opportunities for the Company. Furthermore, the role of new energy in the energy mix will become increasingly prominent, with technological breakthroughs and scale-up both accelerating.

In 2026, we will solidify our development foundation by increasing oil and gas reserves and production, empower our growth momentum through value creation, drive industrial upgrading with innovation, build competitive advantages through international expansion, and accumulate growth potential with green and low-carbon initiatives, thus striving to build a world-class energy and resources group with distinctive maritime characteristics. The annual production of the Company is targeted at 780-800 million BOE, and the oil and gas capital expenditure is expected to be RMB112.0-122.0 billion.

Furthermore, the Company will as always prioritize shareholder returns, subject to the approval by the general meeting on the proposed dividends for each year, the annual dividend payout ratio will be no less than 45% from 2025 to 2027. By adhering to the principle of rewarding shareholders, the Company will adjust its dividend policy in due course in line with the changes in the market environment and after taking into account shareholders' intention, strategic planning, operating conditions and other factors.

DIVIDENDS

An interim dividend of HK\$0.73 per share (tax inclusive) was declared on 27 August 2025, and paid to the shareholders of the Company on 17 October 2025.

The net profit attributable to ordinary shareholders of the Company under the 2025 consolidated financial statements is RMB122,082 million. In overall consideration of the factors such as the future earnings, capital requirements, financial position, future prospect and cash flow of the Company, the Board proposes to distribute the final dividend for the year ended 31 December 2025 in the amount of HK\$0.55 per share (tax inclusive) to all the shareholders. Based on the Company's total share capital of 47,529,953,984 shares as of 31 December 2025, the total final dividend for 2025 is HK\$26,141 million (tax inclusive), together with the interim dividend of HK\$0.73 per share (tax inclusive) already paid, the total of final dividend and interim dividend for 2025 are HK\$1.28 per share (tax inclusive), and the total dividend payment amount is HK\$60,838 million (tax inclusive), accounting for approximately 45.0% of net profit attributable to ordinary shareholders of the Company under the 2025 consolidated financial statements (The exchange rate is calculated using the central parity rate between HKD and RMB announced by the People's Bank of China at the end of 2025). During this profit distribution, the Company will not distribute bonus shares or convert capital reserve into share capital. The dividends will be denominated and declared in HKD. The dividends on A shares will be paid in RMB calculated using the average central parity rate between HKD and RMB announced by the People's Bank of China for the week immediately preceding the date of the declaration of dividend by the Annual General Meeting; dividend for Hong Kong shares will be paid in HKD.

In the event of any change in the total issued shares of the Company from the date of this announcement to the registration date for the final dividend of 2025, the Company intends to maintain the same amount of dividend payable per share and adjust the total distribution amount accordingly, and disclose the details of the adjustment separately. The Company's final share distribution plan for 2025 has been approved by the 2nd meeting of the Board of the Company in 2026, and is subject to the approval by the shareholders in the 2025 annual general meeting of the Company.

AUDIT COMMITTEE

The Audit Committee of the Company has reviewed, together with the management, the Company and its subsidiaries' consolidated financial statements for the year ended 31 December 2025, including the accounting policies adopted by the Company and its subsidiaries and has discussed the risk management, internal control and financial reporting matters. The Audit Committee of the Company has reviewed the annual results of the Company and its subsidiaries for the year ended 31 December 2025.

This announcement has been based on the Company and its subsidiaries' consolidated financial statements for the year ended 31 December 2025 which have been agreed with the auditor.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Between January and December 2025, CNOOC Petroleum North America ULC (“CPNA”, an indirect wholly-owned subsidiary of the Company) repurchased and cancelled the following bonds issued by it as issuer by way of general offers:

Issuer	Maturity Date	Coupon Rate	Face Amount (USD)	Face Amount Repurchased (USD)	Percentage of Repurchase	Outstanding Amount as at 31 December 2025 (USD)
CPNA	30 July 2039	7.500%	594,413,000	22,320,000	3.75%	572,093,000
CPNA	15 May 2037	6.400%	752,452,000	4,404,000	0.59%	748,048,000
CPNA	10 March 2035	5.875%	420,006,000	200,000	0.05%	419,806,000
CPNA	15 March 2032	7.875%	314,572,000	5,400,000	1.72%	309,172,000

None of the above bonds was listed on the HKSE or SSE.

Save as disclosed in this announcement, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of its listed securities (including the disposal of treasury shares) during the year ended 31 December 2025. As at 31 December 2025, the Company did not hold any treasury shares.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

For the year ended 31 December 2025, the Company has complied with all provisions in the Corporate Governance Code as set out in Part II of Appendix C1 to the Listing Rules of Stock Exchange.

PROVISIONS FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Code of Ethics which has incorporated the provisions for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Listing Rules of Stock Exchange, the Securities Law of the People’s Republic of China and the Listing Rules of SSE and other regulatory requirements of securities. All Directors have confirmed that they complied, during the year ended 31 December 2025, with the required standards set out in the Company’s Code of Ethics.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

The electronic version of this announcement is published on the website of HKSE (<http://www.hkex.com.hk>), the website of SSE(<http://www.sse.com.cn>) and the Company’s website (<http://www.cnoocld.com>). The annual report for the year ended 31 December 2025, containing all the information required by Appendix D2 to the Listing Rules of Stock Exchange, will be despatched to shareholders of the Company and published on the websites of HKSE and SSE, and the Company’s website in due course.

By order of the Board
CNOOC Limited
Zhang Chuanjiang
Chairman

Hong Kong, 26 March 2026

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

Non-executive Directors

Zhang Chuanjiang (*Chairman*)

Wang Dehua

Executive Director

Huang Yongzhang (*Vice Chairman*)

Independent Non-executive Directors

Qiu Zhi Zhong

Lin Boqiang

Li Shuk Yin Edwina

This announcement includes forward-looking information, including the likely future developments in the business of the Company and its subsidiaries, such as statements regarding expected future events, business prospects or financial results. The words “expect”, “anticipate”, “continue”, “estimate”, “objective”, “ongoing”, “may”, “will”, “project”, “should”, “believe”, “plans”, “intends” and similar expressions are intended to identify such forward-looking statements. These statements are based on assumptions and analyses made by the Company as of this date in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors the Company currently believes are appropriate under the circumstances. However, whether actual results and developments will meet the current expectations and predictions of the Company is uncertain and depends on a number of uncertainties which could cause the actual results, performance and financial condition may differ materially from the Company’s expectations, including but not limited to those associated with fluctuations in crude oil and natural gas prices, macro-political and economic factors, changes in the tax and fiscal regimes of the host countries in which we operate, the highly competitive nature of the oil and natural gas industry, environmental responsibility and compliance requirements, the Company’s price forecast, the exploration and development activities and mergers, acquisitions and divestments activities, HSSE and insurance policies and changes in anti-corruption, anti-fraud, anti-money laundering and corporate governance laws. Consequently, all of the forward-looking statements made in this announcement are qualified by these cautionary statements. The Company cannot assure that the results or developments anticipated will be realised or, even if substantially realised, that they will have the expected effect on the Company, its business or operations.