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Company Announcement

[LOGO OMITTED]

CNOOC Limited
[CHINESE CHARACTERS OMITTED]
(Incorporated in Hong Kong with limited liability
under the Companies Ordinance)
(Stock code: 883)

ANNOUNCEMENT

The Board hereby announces that it has adopted a policy of announcing certain selected unaudited key operational statistics of the Group on a quarterly basis. This announcement sets out certain selected unaudited key operational statistics of the Group for the first quarter of 2004 (ended 31 March 2004). The comparative statistics for the first quarter of 2003 (ended 31 March 2003) are also disclosed in this announcement.

The board of directors of CNOOC Limited ("Company") (the "Board") has adopted a policy of announcing certain selected unaudited key operational statistics of the Company and its subsidiaries (the "Group") on a quarterly basis. This announcement sets out certain selected unaudited key operational statistics of the Group for the first quarter of 2004 (ended 31 March 2004). The comparative statistics for the first quarter of 2003 (ended 31 March 2003) are also disclosed in this announcement.

The Group's offshore China oil and gas production had an increased of 7.2% in the first quarter of 2004 (ended 31 March 2004) from the first quarter of 2003 (ended 31 March 2003) to reach the level of 314,382 barrels of oil equivalent ("boe") per day. Crude oil and liquids production were 273,054 barrels per day and natural gas production was 237 million cubic feet ("mmcf") per day offshore China. The increase was largely due to an 11.8% increase in crude oil and liquids production in Eastern South China Sea and an 98.1% increase in natural gas production from Western South China Sea.

Overseas assets contributed a total working interest production of 9.1 million boe and EBITDE (Earnings Before Interest, Taxes, Depreciation, Depletion and Amortization and Exploration Expenses) of RMB627.8 million (equivalent to approximately US\$75.8 million), stronger than what was budgeted. Reported net entitlement production for the Company was 362,672 boe per day. Crude oil and liquids production and natural gas production was 306,980 boe per day and 323 mmcf per day, respectively.

Total unaudited revenues were RMB7.78 billion (equivalent to approximately US\$940.2 million) for the first quarter of 2004 (ended 31 March 2004), a 3.8% increase from the first quarter of 2003 (ended 31 March 2003). This revenue growth was a result of higher production volume partially offset by slight decrease in realized oil and gas prices. The average realized oil and gas prices were US\$29.79 per barrel and US\$2.8 per thousand cubic feet respectively in the first quarter of 2004 (ended 31 March 2004).

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WZ 12-1N came on stream earlier this year with expected peak production of 14,400 boe per day. The Company also confirmed a number of discoveries in Bohai Bay and that all 13 major development projects are progressing on track.

As disclosed in its annual report for the financial year ended 31 December 2003, the Company became a partner with 12.5% interest in the Tangguh LNG Project in Indonesia with effect from 1 January 2003. In February 2004, the Company acquired additional equity interests. As a result, CNOOC's stake in the project increased from 12.5% to 16.96%.

FIRST QUARTER AND YEAR-TO-DATE PRODUCTION SUMMARY

| Crude Oil & Liquids (barrels per day) | 2003 First quarter ended | | 2004 First quarter ended | | Year-To-Date |
|--|-----------------------------|--------------|-----------------------------|--------------|--------------|
| | 31 March | Year-To-Date | 31 March | Year-To-Date | |
| Bohai Bay | 125,679 | 125,679 | 129,530 | 129,530 | 129,530 |
| Western South China Sea | 67,072 | 67,072 | 61,279 | 61,279 | 61,279 |
| Eastern South China Sea | 71,365 | 71,365 | 79,801 | 79,801 | 79,801 |
| East China Sea | 2,718 | 2,718 | 2,444 | 2,444 | 2,444 |
| Overseas | 41,944 | 41,944 | 33,926 | 33,926 | 33,926 |
| Subtotal (barrels per day) | 308,777 | 308,777 | 306,980 | 306,980 | 306,980 |
| | | | | | |
| Natural Gas (mmcf/day) | | | | | |
| Bohai Bay | 42 | 42 | 45 | 45 | 45 |
| Western South China Sea | 87 | 87 | 173 | 173 | 173 |
| Eastern South China Sea | - | - | - | - | - |
| East China Sea | 15 | 15 | 19 | 19 | 19 |
| Overseas | 97 | 97 | 86 | 86 | 86 |
| Subtotal (mmcf/day) | 242 | 242 | 323 | 323 | 323 |
| Total Production (boe/day) | 351,378 | 351,378 | 362,672 | 362,672 | 362,672 |

FIRST QUARTER AND YEAR-TO-DATE REVENUE AND EXPENDITURE (UNAUDITED)

| | RMB millions | | | | US | |
|------------------------|--|----------------------|--|----------------------|--|----------------------|
| | 2003 First quarter ended 31 March | Year- To- Date | 2004 First quarter ended 31 March | Year- To- Date | 2003 First quarter ended 31 March | Year- To- Date |
| Sales Revenue | | | | | | |
| Crude oil and liquids | 6,966.0 | 6,966.0 | 7,094.8 | 7,094.8 | 841.6 | 841.6 |
| Natural gas | 487.4 | 487.4 | 619.9 | 619.9 | 58.9 | 58.9 |
| Marketing Revenue, net | 16.4 | 16.4 | 34.5 | 34.5 | 2.0 | 2.0 |
| Others | 29.4 | 29.4 | 32.5 | 32.5 | 3.6 | 3.6 |
| Total | 7,499.2 | 7,499.2 | 7,781.8 | 7,781.8 | 906.0 | 906.0 |

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| Capital Expenditures | | | | | | |
|----------------------|---------|---------|---------|---------|-------|-------|
| Exploration | 285.4 | 285.4 | 363.6 | 363.6 | 34.5 | 34.5 |
| Development | 1,116.5 | 1,116.5 | 1,804.8 | 1,804.8 | 134.9 | 134.9 |
| Others | 0.3 | 0.3 | 3.3 | 3.3 | 0.0 | 0.0 |
| Total | 1,402.1 | 1,402.1 | 2,171.7 | 2,171.7 | 169.4 | 169.4 |

For the purpose of this announcement, unless otherwise indicated, the exchange rate at US\$1 = RMB 8.2771 has been used, where applicable, for purpose of illustration only and does not constitute a representation that any amount have been, could have been or may be exchanged.

The Board comprises:

Executive Directors
Fu Chengyu (Chairman)
Jiang Longsheng
Zhou Shouwei
Luo Han

Independent non-executive Directors:
Chiu Sung Hong
Dr. Kenneth S. Courtis
Dr. Erwin Schurtenberger
Evert Henkes

By Order of the Board
Cao Yunshi
Company Secretary

Hong Kong, 29th April, 2004

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be issued on its behalf by the undersigned, thereunto duly authorized.

CNOOC Limited

By: /s/ Cao Yunshi

Name: Cao Yunshi
Title: Company Secretary

Dated: May 4, 2004