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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))

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS IN RESPECT OF 2026 TO 2028

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS IN RESPECT OF 2026 TO 2028

Reference is made to the 2022 Circular in relation to the Continuing Connected Transactions between the Group and CNOOC and/or its Associates. The Independent Shareholders approved the non-exempt continuing connected transactions between the Group and CNOOC and/or its Associates and the relevant annual caps for 2023 to 2025 at the 2022 EGM.

The Company expects to continue the Continuing Connected Transactions after 31 December 2025 and therefore will, in accordance with the Listing Rules and relevant rules of the SSE, comply with the provisions of Chapter 14A of the Listing Rules and relevant rules of the SSE in relation to the Continuing Connected Transactions for the next three years (i.e. from 1 January 2026 to 31 December 2028), including disclosing information thereof in this announcement and seeking the Independent Shareholders' approval for the Non-exempt Continuing Connected Transactions (including the relevant Proposed Caps).

APPROVAL BY INDEPENDENT SHAREHOLDER

As CNOOC is the actual controller of the Company directly and indirectly holding an aggregate of approximately 62.13% of all the Shares of the Company in issue as at the date of this announcement, the Non-exempt Continuing Connected Transactions (including the relevant Proposed Caps) are subject to the approval from the Independent Shareholders under the Listing Rules and relevant rules of the SSE. In view of the interests of CNOOC held through OOGC and CNOOC BVI in the Company, OOGC, CNOOC BVI and their respective Associates will abstain from voting in relation to the resolutions approving the Non-exempt Continuing Connected Transactions (including the relevant Proposed Caps) at the EGM.

An Independent Board Committee has been formed to advise the Independent Shareholders in connection with the Non-exempt Continuing Connected Transactions (including the relevant Proposed Caps), and Maxa Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders holding the Hong Kong Shares on the same. A circular containing, amongst other things, further information on the terms of the Continuing Connected Transactions, a letter from the Independent Board committee and an opinion of Maxa Capital, the Independent Financial Adviser, together with a notice to convene the EGM to consider and, if thought fit, approve the Non-exempt Continuing Connected Transactions (including the relevant Proposed Caps), is expected to be provided to the Shareholders on or around 7 November 2025.

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS IN RESPECT OF 2026 TO 2028

Background

Reference is made to the 2022 Circular in relation to the Continuing Connected Transactions between the Group and CNOOC and/or its Associates. The Independent Shareholders had approved the Non-exempt Continuing Connected Transactions between the Group and CNOOC and/or its Associates and the relevant annual caps for 2023 to 2025 at the 2022 EGM.

The Company expects to continue the Continuing Connected Transactions after 31 December 2025 and therefore will, in accordance with the Listing Rules and relevant rules of the SSE, comply with the provisions of Chapter 14A of the Listing Rules and relevant rules of the SSE in relation to the Continuing Connected Transactions for the next three years (i.e. from 1 January 2026 to 31 December 2028), including disclosing information thereof in this announcement and seeking the Independent Shareholders' approval for the Non-exempt Continuing Connected Transactions (including the relevant Proposed Caps).

Continuing Connected Transactions under the Comprehensive Framework Agreement

The Company entered into the Comprehensive Framework Agreement on 30 October 2025 with CNOOC for the provision (1) by the Group to CNOOC and/or its Associates and (2) by CNOOC and/or its Associates to the Group, of a range of products and services which may be required and requested from time to time by either party and/or its Associates in respect of the Continuing Connected Transactions, the details of which are set out below. The term of the Comprehensive Framework Agreement is for a period of three years commencing from 1 January 2026, and is conditional upon the Independent Shareholders' approval at the EGM. Except for the addition of or adjustment to certain categories of Continuing Connected Transaction, the Comprehensive Framework Agreement is substantially on the same terms as the terms contained in the comprehensive framework agreement entered into by the Company and CNOOC on 2 November 2022, as described in the 2022 Circular.

The Continuing Connected Transactions under the Comprehensive Framework Agreement can be categorised as follows:

- Provision of exploration, development, production as well as sales, management and ancillary services by CNOOC and/or its Associates to the Group

  (a) Provision of exploration and support services;

  (b) Provision of development and support services;

  (c) Provision of production and support services;

  (d) Provision of sales, management and ancillary services; and

  (e) FPSO vessel leases.

- Sales of petroleum, natural gas and renewable-energy power products (including green certificates) by the Group to CNOOC and/or its Associates

  (a) Sales of petroleum, natural gas and renewable-energy power products (including green certificates) (other than long-term sales of natural gas and liquefied natural gas); and

  (b) Long-term sales of natural gas and liquefied natural gas.

- Provision of management, technical, facilities and ancillary services by the Group to CNOOC and/or its Associates

The categories of "Provision of development and support services ", "Provision of production and support services", "Sales of petroleum, natural gas and renewable-energy power products (including green certificates) (other than long-term sales of natural gas and liquefied natural gas)" and "Long-term sales of natural gas and liquefied natural gas" are Non-exempt Continuing Connected Transactions subject to the reporting, announcement and Independent Shareholders' approval requirements according to the Listing Rules and the relevant rules of the SSE. The other categories of Continuing Connected Transactions are exempt from the Independent Shareholders' approval requirement according to the Listing Rules, but are subject to the reporting and announcement requirements under the Listing Rules and the relevant rules of the SSE.

Since the establishment of the Company, certain Associates of CNOOC specialising in exploration, development, production as well as sales, management and ancillary services provided these services to the Group from time to time. The services provided by CNOOC and/or its Associates are set out below.

Provision of exploration, development, production as well as sales, management and ancillary services by CNOOC and/or its Associates to the Group

(a) ***Provision of exploration and support services***

The services provided by CNOOC and/or its Associates to the Group on exploration operations include:

- wellsite investigation operation;
- seismic data acquisition;
- seismic data processing;
- seismic data reprocessing or special processing;
- comprehensive exploration research;
- marine geological prediction and data processing;
- drilling;
- mud logging;
- formation testing;
- logging;
- mud;
- cementing;
- tow-boat, transportation;
- materials/equipment supply;
- exploration technological research and safety services; and
- other related technical and supporting services.

The applicable pricing policies for transactions conducted under this category are based on market price. The Company will analyse whether the goods and service to be procured is qualified for tendering and price comparison, and will adopt tendering and price comparison when the conditions are satisfied. If the conditions are not satisfied, the following pricing principles will be adopted:

(i) with respect to exploration well operations – the price shall refer to the international market price level, and shall be determined after arm's length negotiation by comparing the market price reports regularly issued by IHS (IHS Markit Ltd.) and the prices quoted by CNOOC and/or its Associates. When determining such prices, the Company will consider specific conditions of different drilling rig types, operating water depths and key equipment capabilities, which shall be fully negotiated between both parties; and

(ii) with respect to other exploration and support services – for contracts with no comparable markets and satisfy the single source (direct contracting) procurement conditions, the contract price is determined through arm's length negotiation. The contract price shall be determined in accordance with the relevant factors as set out in the paragraph headed "Other exploration and support services and development and support services" under the section headed "Pricing Determination" below.

For the two years ended 31 December 2024 and the six months ended 30 June 2025, the charges for the provision of such exploration and support services payable to CNOOC and/or its Associates were approximately RMB13,227 million, RMB13,010 million and RMB6,575 million, respectively.

(b) Provision of development and support services

The services provided by CNOOC and/or its Associates to the Group on development operations include:

- platform survey;
- geological survey;
- drilling;
- drilling and completion well operations;
- oil and gas well surveying, logging, cementing and other related technical services;
- design, construction, installation, testing and commissioning of production facilities;
- shipping transportation;
- provision of materials/equipment;
- integrated research on development techniques;
- preliminary survey of renewable energy projects and wind measurement of wind power projects; and
- other related technical and supporting services.

The applicable pricing policies for the transactions conducted under this category are based on market price. The Company will analyse whether the goods and service to be procured are qualified for tendering and price comparison, and will adopt tendering and price comparison when the conditions are satisfied. If the conditions are not satisfied, the following pricing principles will be adopted:

(i) with respect to drilling, drilling and completion well operations and related technical services – the price shall refer to the international market price level, and shall be determined by comparing the market price reports regularly issued by IHS (IHS Markit Ltd.) and the prices quoted by CNOOC and/or its Associates. When determining such prices, the Company will consider specific conditions of different drilling rig types, operating water depths and key equipment capabilities, which shall be fully negotiated between both parties;

(ii) with respect to design, construction, installation and commissioning of production facilities, prefabrication of common components/modules for facility structure – the price is determined through arm's length negotiation between both parties with reference to market price, taking into account specific working environment of the related projects, such as complexity of operation, different geographic features, different offshore regions, weather conditions, depth of water, etc.; and

(iii) with respect to other development and support services – for contracts with no comparable markets and satisfy the single source (direct contracting) procurement conditions, the contract price is determined through arm's length negotiation. The contract price shall be determined in accordance with the relevant factors as set out in the paragraph headed "Other exploration and support services and development and support services" under the section headed "Pricing Determination" below.

For the two years ended 31 December 2024 and the six months ended 30 June 2025, the charges for the provision of such development and support services payable to CNOOC and/or its Associates were approximately RMB57,764 million, RMB60,851 million and RMB27,053 million, respectively.

(c) Provision of production and support services

The services provided by CNOOC and/or its Associates to the Group on production operations are set out below:

- integrated research on production techniques;
- drilling and workover operations;
- shipping transportation;
- oil tanker transportation;
- provision of materials/equipment;
- maintenance of platform;
- repair of equipment and pipeline;
- production operations;
- oil production operations;
- production labour services;
- production equipment maintenance;
- warehousing and storage;
- leasing of equipment and building;
- road transportation services;
- telecommunication and network services;
- wharf services;
- labour services;
- construction services, including roads, wharf, buildings, factories and water barrier;
- maintenance and repair of major equipment;
- medical and social services;

- supply of water, electricity, gas and heat;
- security and fire prevention services;
- technical training;
- accommodation;
- maintenance and repair of buildings;
- catering services;
- operation and maintenance of renewable energy projects; and
- other related technical and supporting services.

The applicable pricing policies for the transactions conducted under this category are government-prescribed price or market price. If market price is applicable, the Company will analyse whether the goods and service to be procured is qualified for tendering and price comparison, and will adopt tendering and price comparison when the conditions are satisfied. If the conditions are not satisfied, the following pricing principles will be adopted:

(i) with respect to the supply of water, electricity, gas and heat – the price is determined by the respective government-prescribed price for water supply, electricity supply, gas supply and heat supply as set out in the paragraph headed "Government-prescribed price" under the section headed "Pricing Determination" below; and

(ii) with respect to other oil and gas production and support services – the price shall be determined through arm's length negotiation between both parties with reference to market price. The market price is determined with reference to quotations from at least two comparable independent third-party market participants (if applicable) in similar transactions in surrounding markets providing similar services and taking into account factors such as quality of services and supply and demand of local markets.

For the two years ended 31 December 2024 and the six months ended 30 June 2025, the charges for the provision of such production and support services payable to CNOOC and/or its Associates were approximately RMB16,469 million, RMB18,028 million and RMB8,757 million, respectively.

(d) Provision of sales, management and ancillary services

CNOOC and/or its Associates provide sales, administration and management, management of oil and gas operations and integrated research services to the Group, as well as other ancillary services relating to the exploration, development, production and research activities of the Group, which include:

- sales services;
- entrusted management;
- staff recruitment;

- publishing;
- telecommunication networks;
- leases of properties;
- property management;
- water, electricity and heat supply;
- gas supply;
- car rental;
- integrated services;
- integrated research;
- sewage disposal; and
- other ancillary services.

In addition, as part of the administration and management services provided to the Group, CNOOC and/or its Associates has/have been leasing certain properties (including its headquarters) covering an aggregate area of approximately 777,333.81 square meters (excluding the area of properties for which lease agreements are entered into based on room number) located throughout the PRC and in Singapore, to the Group for use as office premises and staff quarters. In addition to leasing these properties, CNOOC and/or its Associates has/have also been providing management services in respect of certain properties leased to the Group. CNOOC and/or its Associates which own one or more of the leased properties have entered into individual lease and/or management agreements with the Company. Each agreement is in writing and for a term of less than three years.

As its business continues to expand, the Group may, subject to the relevant Proposed Caps, also enter into additional lease and management agreements with CNOOC and/or its Associates from time to time. JLL, an independent property valuer, has confirmed that the payments due under the lease agreements and the management agreements reflect the fair and reasonable commercial market rent and management fee.

The applicable pricing policies for the transactions conducted under this category are government-prescribed price or market price. If market price is applicable, the Company will analyse whether the goods and service to be procured is qualified for tendering and price comparison, and will adopt tendering and price comparison when the conditions are satisfied. If the conditions are not satisfied, the following pricing principles will be adopted:

(i) with respect to the supply of water, electricity, gas and heat – the price is determined by the respective government-prescribed price for water supply, electricity supply, gas supply and heat supply as set out in the paragraph headed "Government-prescribed price" under the section headed "Pricing Determination" below; and

(ii) with respect to other sales, management and ancillary services under this category – the products and services provided by CNOOC and/or its Associates under this category are substantially leases of properties. The rental is determined with reference to prevailing market rates and historical transaction amounts which were reviewed by JLL and confirmed as fair and reasonable commercial market rates. The rental will be 3% higher or lower than the current market rates. When determining such adjustment, the Company will consider the conditions of the leased properties, the location of the leased properties, the availability of properties with similar sizes in similar locations and the historical transaction amounts.

For the two years ended 31 December 2024 and the six months ended 30 June 2025, the aggregate charges for the provision of sales, management and ancillary services (including leasing and management of properties) payable by the Group to CNOOC and/or its Associates were approximately RMB3,695 million, RMB3,884 million and RMB1,656 million, respectively.

(e) FPSO vessel leases

The Group leases floating, production, storage and offloading (FPSO) vessels from CNOOC EnerTech, an Associate of CNOOC, for use in oil production operations. The term of FPSO vessel leases are usually determined based on the expected term of oil production. The Company leases six FPSO vessels from CNOOC EnerTech with a term ranging from 3 years to 25 years. The view of the Independent Financial Adviser in accordance with the requirements of Rule 14A.52 of the Listing Rules is set out in the paragraphs headed "View from Independent Financial Adviser" below.

With respect to the FPSO vessel leases, the rent is generally determined in accordance with the pricing method and factors as set out in the paragraph headed "FPSO vessel leases" under the section headed "Pricing Determination" below.

For the two years ended 31 December 2024 and the six months ended 30 June 2025, (i) in respect of fixed daily rent, the total value of right-of-use assets relating to the leasing of FPSO vessels were RMB429 million, RMB586 million and RMB142 million, respectively; and (ii) in respect of floating rent, the total value were RMB313 million, RMB315 million and RMB105 million, respectively.

The Company leases FPSO vessels with a term ranging from 3 years to 25 years. From the Company's perspective, the term of the FPSO vessel leases with a term in excess of three years is beneficial to the Company because: (i) such arrangement is in the Group's favour as it enables the Group to constantly equip itself with FPSO vessels throughout substantially the expected term of production of its oil fields without incurring material capital risks; and (ii) it is cost-effective for the Group to have long-term leases because rental charges for long-term leases can usually be negotiated at a lower rate as compared to short-term leases.

View from Independent Financial Adviser

As the term of the FPSO vessel leases exceeds three years, pursuant to Rule 14A.52 of the Listing Rules, the Company has engaged Maxa Capital as the independent financial adviser to explain why the FPSO vessel leases require a longer period and to confirm that it is normal business practice for agreements of this type to be of such term.

In assessing the reasons why the term of the FPSO vessel leases requires a period longer than three years, Maxa Capital has taken into consideration the information set out in the Announcement, and the following principal factors based on the information provided by, and discussion with, the management of the Company:

(i) FPSO vessels are offshore crude oil processing facilities that integrated production, storage and offloading of crude oil and have advantages of strong wind wave resistance, wide adapt range of water depth, large capacity of oil storage, transferability and reusage. They are particularly effective in remote or deepwater locations where subsea pipelines are not cost-effective because they can eliminate the need to lay expensive long-distance pipelines from the oil well to an onshore terminal. Apart from FPSO vessels leasing, CNOOC EnerTech could also provide supporting services such as FPSO vessels repairment and conversion to the Group. The Group has been leasing FPSO vessels from CNOOC EnerTech. Based on the information provided by the Company, the term of the FPSO vessel leases entered into between CNOOC and/or its Associates and the Group ranges from 3 years to 25 years; and

(ii) FPSO vessels are precious resources in offshore crude oil development, a longer term of the FPSO vessel lease is beneficial to the Group as (a) such arrangement enables the Group to constantly equip itself with FPSO vessels throughout substantially the expected term of production of the oilfields without incurring material capital risk; and (b) it is cost-effective to have long-term leases because rental charges for long-term leases can usually be negotiated at a lower rate as compared with short-term leases.

In assessing the term of the FPSO vessel leases entered into between CNOOC and/or its Associates and the Group, Maxa Capital has reviewed the 2024 Annual Report of SBM Offshore N.V, a leading company who provides floating production solutions in the offshore energy industry and owns 22 FPSO vessels for leasing and operating as at the end of 2024, and Maxa Capital noted that (i) the lease period of FPSO vessels owned by SBM Offshore N.V ranged from 1 year to 27 years taking into account the confirmed extension and contractual extension options; and (ii) 17 out of 22 FPSO vessels leased by SBM Offshore N.V have lease period of longer than three years. The terms of the FPSO vessels leases entered into between CNOOC and/or its Associates and the Group is within the range of the lease period of FPSO vessels owned by SBM Offshore N.V.

Based on the above considerations, Maxa Capital is of the view that a period longer than three years is required for the FPSO vessel leases entered into between CNOOC and/or its Associates and the Group and that the term of such leases of longer than three years is in line with normal business practice for agreements of this type.

Sales of petroleum, natural gas and renewable-energy power products (including green certificates) by the Group to CNOOC and/or its Associates

(a) Sales of petroleum, natural gas and renewable-energy power products (including green certificates) (other than long-term sales of natural gas and liquefied natural gas)

The Group may sell petroleum and natural gas products, including crude oil, natural gas, condensate oil and liquefied petroleum gas, to CNOOC and/or its Associates which engage in downstream petroleum businesses on normal commercial terms or better. Although natural gas will be sold under the long-term sales contracts as described below, the Group also sells certain volumes of natural gas to CNOOC and/or its Associates on a short-term basis for the purpose of peak adjustment and to reap higher profits. Meanwhile, the Group may sell renewable-energy power products, including standalone electricity trading, "green-electricity trading" that trade both electricity and green certificates, and "green-certificate trading" that trade green certificates without electricity, to CNOOC and/or its Associates on normal commercial terms or better.

The applicable pricing policies for the transactions conducted under this category are based on market price, more particularly:

(i) with respect to crude oil – The price shall be determined in accordance with the reference prices as set out in the paragraph headed "Crude oil" under the section headed "Pricing Determination" below, and is subject to adjustments based on such reference prices;

(ii) with respect to domestic natural gas and its by-products – the prices of natural gas, condensate oil and liquefied petroleum gas are determined in accordance with the pricing method and factors as set out in the paragraph headed "Domestic natural gas (other than long-term sales of domestic natural gas) and its by-products" under the section headed "Pricing Determination" below; and

(iii) with respect to the sale of renewable-energy power products (including green certificates) – transactions conducted through listing and bidding shall follow the relevant rules governing such methods. For transactions carried out through bilateral negotiation, the prices shall be determined through arm's length negotiation between the parties with reference to the annual or monthly transaction price of renewable-energy power, or the price of other types of transaction (including listing, bidding, etc.), on the power trading platform in the province where the renewable-energy power project is situated, as well as taking into account factors such as market supply and demand.

For the two years ended 31 December 2024 and the six months ended 30 June 2025, (i) sales of petroleum and natural gas products (other than long-term sales of natural gas and liquefied natural gas) by the Group to CNOOC and/or its Associates were approximately RM209,596 million, RMB215,765 million and RMB95,224 million, respectively; and (ii) there were no sales of renewable-energy power products (including green certificates) by the Group to CNOOC and/or its Associates.

(b) Long-term sales of natural gas and liquefied natural gas

The Group sells natural gas or liquefied natural gas to CNOOC and/or its Associates which engage in downstream petroleum businesses on normal commercial terms or better. The price of domestic natural gas is determined through negotiation by taking reference to the price of the relevant local provincial/municipal gate station (there being only one gate station in each province or municipality) prescribed by the NDRC from time to time and published on its website (http://www.ndrc.gov.cn/) and/or the prices of other competing gas sources in the local markets. During the above pricing process, the Company will take into account factors such as the quality of products, supply and demand of the local markets and resource supply capacity, and determine the price through market research, internal analysis and proposal comparison, on arm's length negotiation between the parties in accordance with market principles including voluntariness, equality, fairness and good faith. Due to the size of investment and the fact that sales are usually made to markets proximate to the production site, and that purchasers tend to utilise the natural gas products in areas close to the production site, and in order to ensure the return on investment from production of natural gas, the Group will usually enter into medium-to-long term sales contracts with a term of 3 to 25 years. The Group classifies sales contracts with a term of 3 years or more as medium-to-long term contracts for sales of natural gas and liquefied natural gas. According to market practice, the term of such sales contracts is normally determined based on the estimated reserves and production profile of the relevant gas fields, and may also be determined based on actual business needs in order to maintain certain market flexibility.

The applicable pricing policies for the transactions conducted under this category are based on market price, more particularly:

(i) with respect to the long-term sales of overseas liquefied natural gas – the sales price of liquefied natural gas under the Company's existing long-term sales contract of liquefied natural gas is calculated based on the price formula as set out in the paragraph headed "Long-term sales of overseas liquefied natural gas" under the section headed "Pricing Determination" below; and

(ii) with respect to domestic long-term sales of natural gas – the price shall be determined in accordance with the pricing method and factors as set out in the paragraph headed "Long-term sales of domestic natural gas" under the section headed "Pricing Determination" below.

It is envisaged that individual sales contracts will be entered into from time to time between the Group and CNOOC and/or its Associates in relation to such sales. The Comprehensive Framework Agreement provides that if the Company fails to obtain approval from the Independent Shareholders regarding the annual caps for this category of the Continuing Connected Transactions after 31 December 2028, then the specific transaction agreements falling under this category will be terminated on that date. The view of the Independent Financial Adviser in accordance with the requirements of Rule 14A.52 of the Listing Rules has been included in the Letter from the Independent Financial Adviser contained in the circular to be provided to the Shareholders.

For the two years ended 31 December 2024 and the six months ended 30 June 2025, long-term sales of natural gas and liquefied natural gas by the Group to CNOOC and/or its Associates were approximately RMB27,516 million, RMB31,605 million and RMB21,096 million, respectively.

Provision of management, technical, facilities and ancillary services by the Group to CNOOC and/or its Associates

In addition to providing various services to the Group, CNOOC and/or its Associates may also utilise a wide range of management, technical, facilities and ancillary services provided by the Group from time to time. Such services include:

- supply of materials;
- technical consulting;
- technology transfer;
- entrusted management;
- technical research services;
- vessel leasing services; and
- other ancillary services.

The applicable pricing policies for the transactions conducted under this category are the price determined through arm's length negotiations between both parties with reference to market price. Market price is determined through comparison of prices with reference to quotations from at least two comparable independent third-party industry players (if applicable) in similar transactions in surrounding markets providing similar services and taking into account factors such as quality of services and supply and demand of local markets.

For the two years ended 31 December 2024 and the six months ended 30 June 2025, the fees payable by CNOOC and/or its Associates to the Group for the provision of management, technical, equipment and ancillary services were approximately RMB208million, RMB381 million and RMB207 million, respectively.

The consideration for the Continuing Connected Transactions set out above have been and will be satisfied in the same way as the payment methods adopted in transactions between the Company and independent third parties. Payment terms will be defined in the specific transaction agreements to be entered into between the Company and CNOOC and/or its Associates.

Pricing Determination

The Comprehensive Framework Agreement details specific pricing principles for the products and services to be provided under the Comprehensive Framework Agreement. The basic pricing principle for the Continuing Connected Transactions between the Group and CNOOC and/or its Associates is based on arm's length negotiations, on normal commercial terms or better and with reference to the prevailing local market conditions (including the volume of sales, the term of contracts, the volume of services, overall customer relationship and other market factors).

On the basis of the above basic pricing principle, each type of products or services must be charged in accordance with the following pricing mechanism and in the following sequential order:

(a) government-prescribed price; or

(b) where there is no government-prescribed price, in accordance with market prices, including local, national or international market prices.

Government-prescribed price

Government-prescribed price, the price in respect of certain categories of services determined by the laws, regulations, decisions, orders or policies, etc. enacted by governments of the relevant countries or regions (including but not limited to the central government, federal government, provincial government, state/coalition government or any organisation responsible for domestic ruling and foreign affairs with respect to certain specified territory, irrespective of its name, organisation or structure) or other regulatory departments.

For the details of government-prescribed prices, please refer to the pricing catalogues stipulated from time to time by the NDRC (http://www.ndrc.gov.cn) and relevant departments of the State Council, local government pricing departments or other relevant departments as published on their websites.

The relevant basis for water supply, electricity supply, gas supply and heat supply are detailed below:

(i) Water supply – according to the Measures for the Administration of Urban Water Supply Prices (Order No. 46) issued by the NDRC and the Ministry of Housing and Urban-Rural Development of China, which came into effect on 1 October 2021, the urban water supply price shall be government-prescribed price in principle, and the specific pricing authority shall be executed based on the local price catalogue.

(ii) Electricity supply – according to the Electricity Law of the PRC revised and issued by the Standing Committee of the National People's Congress of the PRC on 29 December 2018, for the on-grid power price of a power network spanning different provinces, autonomous regions, or municipalities directly under the central government, as well as in a provincial power network and an independent power network, a proposal shall be made through negotiations between the enterprises engaged in power production and/or power network operation, and shall be examined and approved by the pricing administrative department of the State Council of the PRC or an authoritative pricing administrative department. If the power produced by locally funded power production enterprises forms an independent power network within different regions of the province or is generated for local use, the price shall be under the control of the people's governments of the provinces, autonomous regions or municipalities directly under the central government.

(iii) Gas supply – the Regulation on the Administration of Urban Gas (State Council Order No. 666) revised and issued by the State Council of the PRC on 6 February 2016, which provides that the pricing bureau of the people's governments above the county level could prescribe and adjust the selling price for pipeline gas.

(iv) Heat supply – implement the prices for the supply of heat prescribed by the respective local governments.

Save as disclosed above, the macro government-prescribed prices are updated in accordance with the development of national economy and relevant policies to be issued from time to time. The prices prescribed by the people's governments of the respective provinces, autonomous regions and municipalities directly under the central government are updated in accordance with the local practical situations. The Company will pay close attention to the updates of government-prescribed prices and determine the prices for relevant products and services accordingly.

Market Price

Market price refers to the price determined with reference to the price charged by at least two independent third parties (if applicable) in areas (or nearby areas) providing such type of products or services on normal terms with comparable scale at that time. Market price will be determined in accordance with normal commercial terms through tendering, price comparison or arm's length negotiation processes between the two parties.

With respect to the market prices for the goods and services under each of the categories under sub-paragraph (vi) below, the Company will analyse whether the goods and service to be procured is qualified for tendering and price comparison, and will adopt tendering and price comparison as described under the paragraph headed "Procedures regarding tendering process" below when the conditions are satisfied. If the conditions are not satisfied, the pricing principles as set out in items (A) to (F) under sub-paragraph (vi) below will be adopted.

Procedures regarding tendering process

The Group invites at least two potential independent third-party suppliers/service providers (if applicable) to provide quotations (including proposals such as cost structure of products or services) in respect of the requested products and services. Following the receipt of quotations from at least two potential independent third-party suppliers/service providers, the Group will evaluate and compare the terms of quotations and determine the winning supplier/service provider by taking into account factors such as price quotations, quality of the products or services, ability of the suppliers/ service providers in meeting technical specifications and delivery schedules, and qualification and relevant experience of the suppliers/service providers. The contract will be awarded to the supplier/ service provider who fulfills the technical requirements and offers the most favourable pricing to the Company after arm's length negotiation and discussion.

If there does not exist two or more independent third parties providing such type of products or services, the price will be determined in accordance with the negotiation between the two parties of the transaction. When both parties enter into fair negotiation on pricing, consideration should be given to the reasonableness of the cost structure of the products or service after comparison and analysis of historical purchase price and with reference to factors leading to price changes for such type of products or services to determine the transaction price.

Market price for each type of products and services

(i) Crude oil – the price is determined by taking reference to the Brent, Dubai, Oman and West Texas Intermediate crude oil prices, official prices of national oil companies of oil producing countries and Argus sulfur crude oil price index which are updated regularly and making adjustments of approximately 20% more or less than the abovementioned reference prices (the 20% less than the reference prices adjustment usually happens if the quality of petroleum is not up to the requested standard. Such downward adjustment will also be triggered under similar transactions with independent third parties). When determining such adjustments, the Company will consider the quality of different types of crude oil, shipping freight rates of crude oil and the international market price of crude oil with similar quality (based on the transaction information of the types of crude oil that are publicly traded on the spot markets). Such adjustments are made in accordance with the market-oriented principles.

(ii) Long-term sales of domestic natural gas – the price is determined with reference to the price of the relevant provincial/municipal gate station (there being only one gate station in each province or municipality) prescribed by the NDRC from time to time and published on its website (http://www.ndrc.gov.cn) and/or the prices charged by two to three independent natural gas suppliers (depending on whether they have operations in the specific local market) in the local markets who are the other major natural gas suppliers having operations similar to that of the Company and supplying similar products to CNOOC and/or its Associates or other buyers. Once the Company obtains the prices

charged by other independent suppliers as mentioned above, the Company will conduct internal comparison and appraisal process. During such process, the Company will take into account factors such as the quality of products, supply and demand of the local markets, transportation distance, market research, internal analysis and proposals comparison, resource supply capacity. Thereafter, the Company will enter into arm's length negotiation with the parties in accordance with market principles including voluntariness, equality, fairness and good faith, and consideration will be given to the reasonableness of the cost structure of the products. The range of adjustments of the price of natural gas against the international oil price or other benchmark prices cannot be ascertained because the realised gas price and the international oil price or other benchmark prices are not directly comparable. The adjustments will be made after the parties reach an agreement through negotiations based on good faith, reasonableness and fairness.

(iii) Domestic natural gas (other than long-term sales of domestic natural gas) and its by-products – the price of natural gas is determined through arm's length negotiation by taking reference to the price of the relevant provincial/municipal gate station (there being only one gate station in each province or municipality) prescribed by the NDRC from time to time and published on its website (http://www.ndrc.gov.cn) and/or the prices of other competing gas sources in the local markets. The price of condensate oil is linked to the Brent crude oil price and the price of liquefied petroleum gas is linked to the benchmark price in the local market, and any premium or discount is determined through negotiation between the buyer and the seller with reference to the prices charged by independent suppliers in the local markets supplying products with similar quality. During the above pricing process, the Company will take into account factors such as the quality of products, supply and demand of the local markets, transportation distance, resource supply capacity, and determine the price through market research, internal analysis and proposals comparison, on arm's length negotiation with the buyer in accordance with market principles including voluntariness, equality, fairness and good faith.

(iv) Long-term sales of overseas liquefied natural gas – the sales price of liquefied natural gas under the Company's existing long-term sales contract of liquefied natural gas is calculated based on a price formula (PLNG=A*JCC+B) linked to the weighted average crude oil import price into Japan (i.e. the Japanese Crude Cocktail (JCC) index). JCC index is a commonly used reference price index for long-term sales contracts of liquefied natural gas in the Asia Pacific region, which is available at https:// www.customs.go.jp, the website for the release of trade statistics by the Ministry of Finance of Japan. A refers to the slope linked to the JCC index and B refers to the constant, and the values of A and B are determined through negotiations between both parties taking into account the market conditions. The price for some sales contracts is calculated by the straight-line price formula, that is, the slope A and the constant B are both fixed values; whilst the price for some sales contracts is calculated by the "s" curve price formula, where the slope A and

the constant B are different in different JCC index ranges, in which way the impact of oil price changes on the sales price of liquefied natural gas is mitigated.

(v) Sales of renewable-energy power products (including green certificates) – transactions conducted through listing and bidding shall follow the relevant rules governing such methods. For transactions carried out through bilateral negotiation, the pricing shall be determined through arm's length negotiation between the parties with reference to the annual or monthly transaction price of renewable-energy power, or the price of other types of transaction (including listing, bidding, etc.), on the power trading platform in the province where the renewable-energy power project is situated, as well as taking into account factors such as market supply and demand.

(vi) Provision of exploration and support services, provision of development and support services, provision of production and support services, provision of sales, management and ancillary services, and FPSO vessel leases:

(A) Exploration well operations, drilling and completion well operations and related technical services – the price of drilling platform shall refer to the international market price level, and shall be determined by comparing the prices disclosed in the reports regularly issued by IHS (IHS Markit Ltd.) and the prices quoted by CNOOC and/or its Associates. When determining such prices, the Company will consider specific conditions of different drilling rig types, operating water depths and key equipment capabilities, which shall be fully negotiated between both parties.

(B) Design, construction, installation and commissioning of production facilities, prefabrication of common components/modules for facility structure – the price is determined through arm's length negotiation between both parties with reference to market price, taking into account specific working environment of the related projects, such as complexity of operation, different geographic features, different offshore regions, weather conditions, depth of water, etc.

(C) Other exploration and support services and development and support services – for contracts with no comparable markets and satisfy the single source (direct contracting) procurement conditions, the contract price is determined through arm's length negotiation by taking reference to the information disclosed in the annual reports of at least three major overseas goods and service providers of the oil and gas industry (such as Schlumberger Limited ("**Schlumberger**"), the Halliburton Company ("**Halliburton**") and Baker Hughes) to obtain a general understanding of the approximate range of prices charged by these service providers. Service providers such as Schlumberger, Halliburton and Baker Hughes have been providing the relevant professional services to the Company. The contract price is determined by: (1) calculating the reference price which is based on the historical prices quoted by the abovementioned overseas goods and service providers for the services provided to the Group plus the historical prices multiplied by the annual movement ratio of the profit margin of the abovementioned overseas goods and service

providers, which is calculated by dividing the net operating profit by total operating revenue disclosed in the annual reports of the abovementioned overseas goods and service providers, as well as taking into account specific working environment of the related projects, such as different geographic features, different offshore regions, weather conditions, depth of water, etc. In extreme circumstances when the oil price falls significantly below the Company's cost per barrel, the movement of the oil price would also be considered when determining the reference price; (2) comparing such reference price with the price quoted by CNOOC and/or its Associates; and (3) entering into arm's length negotiation with CNOOC and/or its Associates. Prices will normally be approximately 80% to 100% of the abovementioned reference prices. When determining such adjustments, the Company will consider specific conditions of contracts, nature of specific products and services, complexity of operation, market demand and historical transaction prices.

(D) Other oil and gas production and support services – the price is determined through arm's length negotiation between both parties with reference to market price. The market price is determined with reference to quotations from at least two comparable independent third-party market participants (if applicable) in similar transactions in surrounding markets providing similar services and taking into account factors such as quality of services and supply and demand of local markets.

Given that CUCBM, a subsidiary of the Company, is primarily engaged in the exploration, development and production of unconventional oil and gas such as onshore coalbed methane, its business model differs from that of offshore oil and gas exploration, development, production, and related support services. Therefore, above items (A) to (D) are not applicable to the exploration and support services, development and support services, and production and support services between CUCBM and CNOOC and/or its Associates. The pricing for the aforesaid types of services is in accordance with the principle of arm's length negotiation, with reference to the price information of the same/similar professional contracts of the adjacent blocks of PetroChina Company Limited, China Petroleum & Chemical Corporation or external cooperation projects in the unconventional oil and gas industry. The final transaction price is determined by comparing the quotations from CNOOC and/or its Associates with the aforesaid reference prices.

(E) Sales, management and ancillary services – the products and services provided by CNOOC and/or its Associates under this category are substantially leases of properties. The rental is determined with reference to prevailing market rates and historical transaction amounts which were reviewed by JLL and confirmed as fair and reasonable commercial market rent. The rental will be 3% higher or lower than the current market rates. When determining such adjustment, the Company will consider the conditions of the leased properties, the location of the leased properties, the availability of properties with similar sizes in similar locations and the historical transaction amounts.

(F) FPSO vessel leases – the consideration of the FPSO vessel leases is the rental which is unanimously determined through arm's length negotiation between the Group and CNOOC and/or its Associates which provides the FPSO vessel leases in accordance with normal commercial terms. The rental usually takes reference to FPSO vessels' fixed daily rent which is determined based on the result of internal economic appraisal during the course of the overall development plan of the oil fields or the floating rent determined by multiplying the oil and gas production volume by a certain ratio which is determined by the result of the internal economic appraisal during the course of the overall development plan of the oil fields and the magnitude of production volumes. The major parameters of the internal economic appraisals include oil price, production of the oil fields, reserve volumes of the oil fields and discount rate, which have significant influence on the revenues and costs of the oil fields. When performing the internal economic appraisals, a net present value can be deduced from these parameters. The FPSO vessel rental can be calculated by deducting the costs of the oil fields of which the FPSO vessel rental forms part from the net present value. The cost of the oil fields of which FPSO rental forms part can be estimated by considering the expected future revenues and the expected returns on investment. The FPSO rental normally accounts for around 10% of the total operating expenses of the oil fields. The Company adopts fixed daily rent or floating rent for all of its FPSO vessel leases. The rentals for FPSO vessels are the most favourable prices in domestic China since there is no third party available which provides FPSO vessel lease services that specifically meet the development of the oil and gas fields in domestic China. Therefore, the Company is of the view that the final rentals for FPSO vessels agreed by the Group and CNOOC and/its Associates are in the interests of the Company and the Shareholders as a whole.

(vii) Provision of management, technical, equipment and ancillary services by the Group to CNOOC and/or its Associates – the price is determined through arm's length negotiations between both parties with reference to market price. Market price is determined through comparison of prices with reference to quotations from at least two comparable independent third-party industry players (if applicable) in similar transactions in surrounding markets providing similar services, and taking into account factors such as quality of services and supply and demand of local markets).

Internal control measures to ensure connected transactions are conducted in accordance with the Comprehensive Framework Agreement

The Company has a comprehensive internal control system to ensure that the terms of the Continuing Connected Transactions are fair and reasonable, and the Continuing Connected Transactions are conducted on normal commercial terms or better and in the ordinary course of business of the Group, and in the interests of the Company and the Shareholders as a whole. Relevant internal control measures include:

- The Group has strict internal control measures for evaluation and selection of suppliers, tendering process and contract execution. In terms of provision of products and services, during the tendering process, the Group will request CNOOC and/or its Associates to provide, along with other potential independent suppliers/service providers, quotations (including proposals) in respect of the requested products or services. Following the receipt of quotations from CNOOC and/or its Associates, and other potential independent suppliers/service providers, the Group will evaluate and compare the terms of quotations and determine the winning supplier/service provider by taking into account factors such as price quotations, quality of the products or services, ability of the suppliers/service providers in meeting technical specifications and delivery schedules, and qualification and relevant experience of the suppliers/service providers. The contract will be awarded to the supplier/service provider who fulfills the technical requirements and offers the most favourable pricing to the Company. Accordingly, CNOOC and/or its Associates may or may not be awarded the contracts. On the other hand, should CNOOC and/or its Associates consider that the terms of the contracts offered by the Group are not commercially acceptable, CNOOC and/or its Associates may also choose not to accept the terms of the contracts.
- The controller's department of the Company regularly monitors the actual amounts incurred for each type of the Continuing Connected Transactions for the purpose of ensuring the relevant annual caps are not exceeded.
- The internal control and risk management team of the Company organises and runs internal control tests regularly to evaluate the comprehensiveness and effectiveness of the internal control measures in relation to continuing connected transactions.
- The Board conducts annual review on the implementation of the Continuing Connected Transactions and conducts review of financial statements which include the disclosure and analysis of the implementation of the Continuing Connected Transactions every six months. The review mainly includes a review on whether the Company and the connected parties have fulfilled the Continuing Connected Transaction agreements during the relevant year or half-year and whether the actual transaction amounts incurred between the Company and the connected parties are within the annual caps approved by the Shareholders.
- The independent non-executive Directors conduct annual review of the Continuing Connected Transactions and provide annual confirmations in the Company's annual report on whether the Continuing Connected Transactions are conducted (i) in the Company's ordinary course of business; (ii) in accordance with normal commercial terms or better and on terms that are fair and reasonable; (iii) in accordance with the terms of the relevant agreements; and (iv) in the interests of the Company and the Shareholders as a whole.
- The audit committee of the Company conducts review of the annual financial statements, annual report, interim financial statements and interim report which include the disclosure and analysis of the implementation of the Continuing Connected Transactions and opine on the Continuing Connected Transactions as disclosed in such financial statements and reports, including whether the terms of the Continuing Connected Transactions are fair and reasonable and whether the transaction amounts are within the relevant annual caps.
- To assist the Company in complying with the applicable rules listed in Chapter 14A of the Listing Rules, the external auditors of the Company perform work in accordance with the

regulations in the Hong Kong Standard on Assurance Engagements 3000 – "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to the "Practice Note 740 – Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants, on the Company's Continuing Connected Transactions and issue a letter in respect of the Continuing Connected Transactions disclosed in the Company's annual report in accordance with the applicable accounting standards and the Listing Rules.

Reasons for and benefits of the Continuing Connected Transactions

Prior to the restructuring of CNOOC and establishment of the Company, CNOOC and/or its Associates and the Group operated as an integrated organisation which undertook numerous intra-group transactions each year. As a consequence of the restructuring and upon the listing of the Shares on the Hong Kong Stock Exchange, a number of transactions which have been entered into and which are to be entered into between the Group and CNOOC and/or its Associates constitute continuing connected transactions for the Company under the Listing Rules.

CNOOC Group is the single largest supplier of the Company. The continuous and stable supply of various products and services contemplated under the Comprehensive Framework Agreement depends, to a large extent, on the performance of the CNOOC Group and the performance of transactions contemplated under the Comprehensive Framework Agreement. Nevertheless, CNOOC Group holds a dominant position in providing services in relation to the production and operation of oil, gas and petrochemical such as ancillary production services, engineering construction services, information consulting services, supply services and financial services. The above services are essential to the operations of the Group. The Company will benefit from the CNOOC Group as a secured and stable source of supply of technical services, equipment, materials, utilities, etc. through the performance of the Comprehensive Framework Agreement.

The Continuing Connected Transactions are and will be conducted in the ordinary and usual course of business of the Company. These transactions will continue to be agreed on an arm's length basis with terms that are fair and reasonable to the Company. Due to the long-term relationship between the Group and the CNOOC Group, the Directors (excluding the independent non-executive Directors) consider that: (a) it is beneficial for the Company to continue to enter into the Continuing Connected Transactions as these transactions have facilitated and will continue to facilitate the operation and growth of the Company's business; and (b) all the above Continuing Connected Transactions have been conducted on normal commercial terms or better, under prevailing local market conditions, and were entered into in the ordinary and usual course of business of the Group, on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and that the relevant Proposed Caps for each type of the above Continuing Connected Transactions are fair and reasonable.

The independent non-executive Directors constituting the Independent Board Committee will give their view after considering the advice from the Independent Financial Adviser, and their view will be given in the circular to be provided to the Shareholders.

Proposed Caps and rationale

The Board has considered and proposed the following Proposed Caps in respect of the Continuing Connected Transactions which will serve as the maximum annual value of the relevant transactions above for the period from 1 January 2026 to 31 December 2028:

Continuing Connected Transactions	Historical amounts	Historical caps	Proposed Caps	Basis of determination of the Proposed Caps
Provision of exploration, development, production as well as sales, management and ancillary services by CNOOC and/or its Associates to the Group				
(a) Provision of exploration and support services	For the two years ended 31December 2024 and the six months ended 30 June 2025, approximately RMB13,227 million, RMB13,010 million and RMB6,575 million, respectively	For the three years ended/ending 31 December 2025, RMB13,959 million, RMB14,152 million and RMB13,978 million, respectively	For the three years ending 31 December 2028, RMB15,156 million, RMB15,634 million and RMB15,733 million, respectively	The annual Proposed Caps for the provision of exploration and support services have been determined with reference to previous transactions conducted and transaction amounts in respect of the exploration and support services provided by CNOOC and/or its Associates to the Group; the estimated investment in exploration activities; and the estimated level of exploration activities by the Group. The Directors are of the view that the Proposed Caps provide sufficient flexibility for the Group's future anticipated business activities.
(b) Provision of development and support services	For the two years ended 31 December 2024 and the six months ended 30 June 2025, approximately RMB57,764 million, RMB60,851 million and RMB27,053 million, respectively	For the three years ended/ending 31 December 2025, RMB73,715 million, RMB66,145 million and RMB64,249 million, respectively	For the three years ending 31 December 2028, RMB72,981 million, RMB67,193 million and RMB70,919 million, respectively	The annual Proposed Caps for the provision of development and support services have been determined with reference to previous transactions conducted and transaction amounts in respect of development and support services provided by CNOOC and/or its Associates to the Group; the expected increase in the level of development activities in the coming years as a result of achievements in exploration; and the number of ongoing and estimated future development projects and the stage and production schedule of such projects. The Directors are of the view that the Proposed Caps provide sufficient flexibility for the Group's future anticipated business activities. The reasons for the differences between the annual caps and

					the actual amounts from 2023 to 2024 and the differences between the Proposed Caps and the actual amounts in 2023 and 2024 are primarily (i) the Company cannot fully foresee the development activities over a three-year period at the time of making the estimates; (ii) despite the aforementioned uncertainties, in order to achieve the goal of increasing reserves and production, the Company expects to increase the level of development activities in the next three years; and (ii) for the above reasons, in order to cope with possible emergencies and taking into account the needs of the Company's production and operation changes, the Company makes full estimates in accordance with a commercially feasible plan when applying for the annual caps.
(c)	Provision of production and support services	For the two years ended 31 December 2024 and the six months ended 30 June 2025, approximately RMB16,469 million, RMB18,028 million and RMB8,757 million, respectively	For the three years ended/ending 31 December 2025, RMB20,116 million, RMB21,715 million and RMB22,866 million, respectively	For the three years ending 31 December 2028, RMB25,503 million, RMB28,053 million and RMB29,672 million, respectively	The annual Proposed Caps for the provision of production and support services have been determined with reference to previous transactions conducted and transaction amounts in respect of the oil and gas production and support services provided by CNOOC and/or its Associates to the Group; and the anticipated commencement of production of oil and gas fields. The Directors are of the view that the Proposed Caps provide sufficient flexibility for the Group's future anticipated business activities. The reasons for the differences between the annual caps and the actual amounts from 2023 to 2024 and the differences between the Proposed Caps and the actual amounts in 2023 and 2024 are primarily (i) affected by changes in downstream demand for oil and gas, there are uncertainties in the scale of petroleum and natural gas production; (ii) despite the aforementioned uncertainties, the Company expects that according to the current

					development progress, several oil and gas fields will be put into production in the next three years; and (iii) for the above reasons, in order to cope with possible emergencies and taking into account the needs of the Company's production and operation changes, the Company makes full estimates in accordance with a commercially feasible plan when applying for the annual caps.
(d)	Provision of sales, management and ancillary services	For the two years ended 31 December 2024 and the six months ended 30 June 2025, approximately RMB3,695 million, RMB3,884 million and RMB1,656 million, respectively	For the three years ended/ending 31 December 2025, RMB6,202 million, RMB6,627 million and RMB6,880 million, respectively	For the three years ending 31 December 2028, RMB5,851 million, RMB6,153 million and RMB6,395 million, respectively[1]	The annual Proposed Caps for the provision of sales, management and ancillary services have been determined with reference to previous transactions conducted and transaction amounts in respect of the sales, management and ancillary services provided by CNOOC and/or its Associates to the Group; and taking into account the Group's future project commencement of production and the growth in its oil and gas production and other business activities, the Directors are of the view that the Proposed Caps provide sufficient flexibility for the Group's future anticipated business activities. The reasons for the difference between the annual caps and the actual amounts in 2023 and 2024, as well as the differences between the Proposed Caps and the actual amounts in 2023 and 2024 are primarily (i) affected by upstream development and production and changes in downstream demand, there are uncertainties in oil and gas sales; (ii) despite the uncertainties, the Company expects to increase investment in scientific research by focusing on increasing reserves and production and implementing technological innovation in the next three years; and (iii) for the above reasons, in order to cope with possible emergencies and taking into account the needs of the Company's production and

[1] Leased properties will be recognised as right-of-use assets where applicable.

					operation changes, the Company makes full estimates in accordance with a commercially feasible plan when applying for the annual caps.
(e)	FPSO vessel leases	For the two years ended 31 December 2024 and the six months ended 30 June 2025, (i) in respect of fixed daily rent, the total value of right-of- use assets are RMB429 million, RMB586 million and RMB142 million, respectively; and (ii) in respect of floating rent, the total value are RMB313 million, RMB315 million and RMB105 million, respectively	For the three years ended/ending 31 December 2025, (i) in respect of fixed daily rent, the annual caps for the total value of right-of- use assets are RMB634 million, RMB613 million and RMB637 million, respectively; and (ii) in respect of floating rent, the annual caps for the total value are RMB471 million, RMB429 million and RMB391 million, respectively	For the three years ending 31 December 2028, (i) in respect of fixed daily rent, the annual caps for the total value of right-of- use assets are RMB1,170 million, RMB1,141 million and RMB1,511 million, respectively; and (ii) in respect of floating rent, the annual caps are RMB594 million, RMB559 million and RMB540 million, respectively[2]	The annual Proposed Caps for the FPSO vessel leases have been determined with reference to previous transactions conducted and transaction amounts in respect of the FPSO vessel leases provided by CNOOC and/or its Associates to the Group; the anticipated increase in the number of FPSO vessels to be leased to accommodate the business change in respect of the possible transfer of operating rights of certain cooperation projects to the Group; and the anticipated commencement of production of certain new oilfields resulting from the Group's intensified exploration and development efforts . The Directors are of the view that the Proposed Caps provide sufficient flexibility for the Group's future anticipated business activities.

Sales of petroleum, natural gas and renewable-energy power products (including green certificates) by the Group to CNOOC and/or its Associates[3]

(a)	Sales of petroleum, natural gas and renewable-energy power	For the two years ended 31 December 2024 and the six months ended 30 June 2025, (i) sales of petroleum and	For the three years ended/ending 31 December 2025, (i) in respect of sales of petroleum and natural gas products	For the three years ending 31 December 2028, RMB322,743 million, RMB329,236 million and	The annual Proposed Caps for the sales of petroleum, natural gas and renewable-energy power products (including green certificates) (other than long-term sales of natural gas and

[2] The Company adopts fixed daily rent or floating rent for all of its FPSO vessels leases. According to HKFRS 16 Leases, the Group is required to recognise a right-of-use asset and a lease liability for the fixed daily rent under the FPSO vessels leases and the Company will set annual caps based on the total value of right-of-use assets relating to the fixed daily rent under the FPSO vessels leases. In addition, the floating rent under the FPSO vessels leases will be recognised as expenses incurred by the Group, and the Company will set the annual caps for floating rent which are determined with reference to the estimated annual maximum amount of floating rent payable by the Group in respect of the FPSO vessels leases for each of the three years ending 31 December 2028.

[3] Given the uncertainties in the progress of renewable-energy power generation projects and in sales to CNOOC and/or its Associates, as well as the relatively small proportion of sales of renewable-energy power products (including green certificates) in the total sales amount, the Company proposes to merge the original categories of "sale of green power products" and "sale of petroleum and natural gas products (other than long-term sales of natural gas and liquefied natural gas)". Meanwhile, to avoid ambiguity and fully reflect transaction types, the Company proposes to rename "sales of green power products", the original transaction category, to "sales of renewable-energy power products (including green certificates)". Except for the name change, the specific transaction types covered by such transaction category remain unchanged, including standalone electricity trading, "green-electricity trading" that trade both electricity and green certificates, and "green-certificate trading" that trade green certificates without electricity.

products (including green certificates) (other than long-term sales of natural gas and liquefied natural gas)	natural gas products (other than long-term sales of natural gas and liquefied natural gas) were approximately RMB209,596 million, RMB215,765 million and RMB95,224 million, respectively; and (ii) there were no sales of renewable-energy power products (including green certificates) to CNOOC and/or its Associates	(other than long-term sales of natural gas and liquefied natural gas), the annual caps are RMB298,356 million, RMB315,545 million and RMB328,725 million, respectively; and (ii) in respect of sales of green power products[3], the annual caps are nil, RMB220 million and RMB220 million, respectively	RMB327,494 million, respectively	liquefied natural gas) by the Group to CNOOC and/or its Associates have been determined with reference to previous transactions conducted and transaction amounts in respect of the sales of petroleum and natural gas products (other than long-term sales of natural gas and liquefied natural gas) by the Group to CNOOC and/or its Associates; the scheduled production capacity of the Group; the estimated resultant increase in the Group's production and sales due to the expected increase in the demand for petroleum and gas products from CNOOC and/or its Associates to facilitate its/their business development plans; the forecast of Brent crude oil made by analysts which amounted to approximately US$87.4, US$86.3, and US$82.8 per barrel for 2026, 2027 and 2028, respectively; the extent of the volatility in oil prices as demonstrated in historical Brent crude oil prices in 2024; the fact that future oil prices for the coming three years cannot be accurately predicted; the need to provide flexibility for the Group to capture the business opportunities offered by CNOOC and/or its Associates should they place more orders with the Group; variations in oil price assumptions as compared to those adopted in estimating the existing 2025 annual caps for this category as set out in the 2022 Circular; and the possible total power production from the renewable-energy power projects of the Group in the next three years and the mid- to long-term trading demand of CNOOC's subsidiary power sales companies. The Directors are of the view that the Proposed Caps provide sufficient flexibility for the Group's future anticipated business activities. The reasons for the differences between the annual caps and the actual amounts from 2023 to 2024 and the differences between the Proposed Caps and the actual amounts in 2023 and

					2024 are primarily (i) the scale of enterprise is large and the trend of oil and gas prices is uncertain, and the amount of connected transactions is greatly affected by price fluctuations in the international crude oil market; (ii) to facilitate its business development plans, the increased demand for oil and gas products from CNOOC and/or its Associates is expected to lead to an increase in the production and sales of the Group; (iii) the progress of renewable-energy power generation projects (including wind power and photovoltaic) has fallen short of expectations and (iv) for the above reasons, in order to cope with possible emergencies and taking into account the needs of the Company's production and operation changes, the Company makes full estimates in accordance with a commercially feasible plan when applying for the annual caps.
(b)	Long-term sales of natural gas and liquefied natural gas	For the two years ended 31 December 2024 and the six months ended 30 June 2025, approximately RMB27,516 million, RMB31,605 million and RMB21,096 million, respectively	For the three years ended/ending 31 December 2025, RMB38,382 million, RMB46,347 million and RMB61,719 million, respectively	For the three years ending 31 December 2028, RMB62,599 million, RMB69,209 million and RMB75,762 million, respectively	The annual Proposed Caps for long-term sales of natural gas and liquefied natural gas by the Group to CNOOC and/or its Associates have been determined with reference to previous transactions conducted and transaction amounts in respect of the long-term sales of natural gas and liquefied natural gas by the Group to CNOOC and/or its Associates; the increase in the availability of natural gas and liquefied natural gas as a result of the expected commencement of production of a number of gas fields in the coming three years; the ongoing production of existing gas fields; based on (i) the discussions with CNOOC Group on their estimated demand for natural gas and liquefied natural gas products in the coming years, and (ii) the Group's estimated quantity of natural gas and liquefied natural gas to be sold in the

coming three years based on the business plan and discussions with CNOOC Group, and the estimated increase in sales to CNOOC and/or its Associates by approximately 10.6% and 9.5% in 2027 and 2028 year-on-year; and the sale prices of the Group's natural gas products with reference to historical sales prices, contractual adjustment to gas prices for a particular gas field and estimated growth rate taking into account inflation and other factors. Further, in estimating the Proposed Cap for 2026, historical transaction amounts for 2023 and 2024 and their proportion to the respective annual caps for the corresponding years as set out in the 2022 Circular were also considered. The Directors are of the view that the Proposed Caps provide sufficient flexibility for the Group's future anticipated business activities.

The reasons for the differences between the annual caps and the actual amounts from 2023 to 2024 and the differences between the Proposed Caps and the actual amounts in 2023 and 2024 are primarily (i) there are uncertainties in the price trend of natural gas and liquefied natural gas; (ii) according to the business plan and discussions with CNOOC Group, the Company expects an increase in the sales of natural gas and liquefied natural gas products to be sold by the Group in the next three years; and (iii) for the above reasons, in order to cope with possible emergencies and taking into account the needs of the Company's production and operation changes, the Company makes full estimates in accordance with a commercially feasible plan when applying for the annual caps.

Provision of management, technical, facilities and ancillary services by the Group to CNOOC and/or its Associates

Provision of management, technical, facilities and ancillary service	For the two years ended 31 December 2024 and the six months ended 30 June 2025, the fees payable by CNOOC and/or its Associates to the Group for the provision of management, technical, equipment and ancillary services were approximately RMB208 million, RMB381 million and RMB207 million, respectively	Not applicable[4]	For the three years ending 31 December 2028, RMB948 million, RMB1,035 million and RMB1,096 million, respectively	The annual Proposed Caps for the Provision of management, technical, facilities and ancillary services by the Group to CNOOC and/or its Associates have been determined with reference to the historical transactions and related transaction amounts for the Provision of management, technical, facilities and ancillary services by the Group to CNOOC and/or its Associates; the anticipated service needs of CNOOC and/or its Associates and the steady upward trend in labour costs. The Directors are of the view that the Proposed Caps provide sufficient flexibility for the Group's future anticipated business activities.

[4]The comprehensive framework agreement entered into by the Company and CNOOC on 2 November 2022 did not include "Provision of management, technical, facilities and ancillary services by the Group to CNOOC and/or its Associates".

Disclosure and/or Independent Shareholders' approval requirements

As each of the percentage ratios under Rule 14.07 of the Listing Rules (other than the profits ratio), where applicable, in relation to each of the following categories of Continuing Connected Transactions is, on an annual basis, expected to be less than 5% under Rule 14A.76(2) of the Listing Rules, and according to relevant rules of the SSE, such categories of Continuing Connected Transactions are exempt from the Independent Shareholders' approval requirement but are subject to the reporting and announcement requirements set out under the Listing Rules:

- Provision of exploration and support services by CNOOC and/or its Associates to the Group;

- Provision of sales, management and ancillary services by CNOOC and/or its Associates to the Group;

- Leasing of FPSO vessel by CNOOC and/or its Associates to the Group; and

- Provision of management, technical, facilities and ancillary services by the Group to CNOOC and/or its Associates.

Under the Listing Rules and relevant rules of the SSE, the Non-exempt Continuing Connected Transactions are subject to the reporting, announcement and Independent Shareholders' approval requirements, as the highest percentage ratio (other than the profits ratio), where applicable, in relation to each category of the Non-exempt Continuing Connected Transactions is, on an annual basis, expected to be exceeding 5%. The Company will seek the Independent Shareholders' approval at the EGM for the Non-exempt Continuing Connected Transactions and the relevant Proposed Caps on the condition that:

1. the annual amount of each category of the Non-exempt Continuing Connected Transactions shall not exceed the relevant Proposed Caps;

2. (i) the Non-exempt Continuing Connected Transactions will be entered into in the ordinary and usual course of business of the Group and on normal commercial terms or better; and

   (ii) the Non-exempt Continuing Connected Transactions will be entered into in accordance with the Comprehensive Framework Agreement and on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Company will comply with relevant provisions of the Listing Rules and relevant rules of the SSE in relation to each category of the Continuing Connected Transactions, and enter into specific contracts for products and services that adhere to the principles and provisions of the Comprehensive Framework Agreement.

CONNECTED TRANSACTION AGREEMENTS

The connected transaction agreements which have been signed by the Company and CNOOC and/or its Associates and have a validity period exceeding three years starting from 1 January 2026 are set out as follows:

(a) FPSO vessels leases agreements

Currently, CNOOC China has been leasing FPSO vessels from CNOOC EnerTech for oil field production, storage and offloading. Among them, four FPSO vessels have lease terms that exceeds three years starting from 1 January 2026. The rental under such leases agreements adopts fixed daily rent or floating rent, which is unanimously determined through arm's length negotiation between the Group and CNOOC and/or its Associates which provides the FPSO vessel leases in accordance with normal commercial terms. The rental usually takes reference to the factors as set out in the paragraph headed "FPSO vessel leases" under the section headed "Pricing Determination" above.

(b) Natural gas long-term sales agreements

Currently, the Group has entered into four long-term natural gas sales agreements with CNOOC Kingboard Chemical Co., Ltd., Offshore Oil Fudao Co., Ltd., CNOOC Gas & Power Group Co., Ltd. and/or their respective branches. The validity period of these agreements exceeds three years starting from 1 January 2026. The price of such agreements is determined in accordance with the pricing method and factors as set out in the paragraph headed "Long-term sales of domestic natural gas" under the section headed "Pricing Determination" above.

APPROVAL BY INDEPENDENT SHAREHOLDERS

As CNOOC is the actual controller of the Company directly and indirectly holding an aggregate of approximately 62.13% of all the Shares of the Company in issue as at the date of this announcement, the Non-exempt Continuing Connected Transactions (including the relevant Proposed Caps) are subject to the approval from the Independent Shareholders under the Listing Rules and relevant rules of the SSE. In view of the interests of CNOOC held through OOGC and CNOOC BVI in the Company, OOGC, CNOOC BVI and their respective Associates will abstain from voting in relation to the resolutions approving the Non-exempt Continuing Connected Transactions (including the relevant Proposed Caps) at the EGM.

An Independent Board Committee has been formed to advise the Independent Shareholders in connection with the Non-exempt Continuing Connected Transactions (including the relevant Proposed Caps), and Maxa Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders holding the Hong Kong Shares on the same.

GENERAL

The principal business activity of the Company is investment holding. The Group principally engages in the exploration, development, production and sales of crude oil and natural gas.

CNOOC Group principally engages in professional technical services, refining and sales, natural gas and power generation and financial services. CNOOC is the actual controller of the Company.

A circular containing, amongst other things, further information on the terms of the Continuing Connected Transactions, a letter from the Independent Board Committee and an opinion of Maxa Capital, the Independent Financial Adviser, together with a notice to convene the EGM to consider and, if thought fit, approve the Non-exempt Continuing Connected Transactions (including the relevant Proposed Caps) is expected to be provided to the Shareholders on or around 7 November 2025.

CLOSURE OF REGISTER OF MEMBERS

The Company will convene the EGM on 10 December 2025 for the purpose of considering and, if thought fit, approving the Non-exempt Continuing Connected Transactions and the relevant Proposed Caps. For determining the entitlement to attend and vote at the EGM, the register of members of Hong Kong Shares of the Company will be closed from 5 December 2025 (Friday) to 10 December 2025 (Wednesday) (both days inclusive), during which period no transfer of Hong Kong Shares will be registered. In order to be eligible to attend and vote at the EGM, holders of Hong Kong Shares are reminded to ensure that all instruments of transfer of Hong Kong Shares accompanied by the relevant share certificate(s) must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 4 December 2025 (Thursday).

Please refer to the notice of EGM and the circular to be issued and provided by the Company on or around 7 November 2025 for further information on the EGM and the matters to be considered at such meeting.

DEFINITONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set out below:

"2022 Circular"	the circular issued by the Company to its Shareholders in relation to the renewal of the Continuing Connected Transactions for 2023 to 2025 on 10 November 2022
"2022 EGM"	the extraordinary general meeting of the Company held on 29 November 2022

"Associate"	has the meaning ascribed thereto under the Listing Rules
"Board"	the board of Directors of the Company
"CNOOC"	China National Offshore Oil Corporation (中國海洋石油集團有限公司), the actual controller of the Company directly and indirectly holding approximately 62.13% of all of the Shares in issue as at the date of this announcement
"CNOOC BVI"	CNOOC (BVI) Limited, a company incorporated in the British Virgin Islands with limited liability, a direct wholly-owned subsidiary of OOGC and the controlling Shareholder of the Company directly holding approximately 60.54% of all the Shares in issue as at the date of this announcement
"CNOOC EnerTech"	CNOOC Energy Technology & Services Limited (中海油能源發展股份有限公司）, a company incorporated in the PRC and a subsidiary of CNOOC
"CNOOC Group"	CNOOC and its subsidiaries (excluding the Group)
"CNOOC China"	CNOOC (China) Co., Ltd. (中海石油（中國）有限公司), a wholly- owned subsidiary of the Company
"Company"	CNOOC Limited （中國海洋石油有限公司）, a company incorporated in Hong Kong with limited liability, whose Shares are listed on the Hong Kong Stock Exchange (Stock Code: 00883 (HKD Counter) and 80883 (RMB Counter)) and the SSE (Stock Code: 600938)
"Comprehensive Framework Agreement"	the comprehensive framework agreement dated 30 October 2025 entered into between the Company and CNOOC in relation to the Continuing Connected Transactions
"Continuing Connected Transactions"	the "continuing connected transactions" under the Listing Rules and the "routine connected transactions" under the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, which refer to the continuing connected transactions between the Group and CNOOC and/or its Associates as set out in the section headed "Continuing Connected Transactions under the Comprehensive Framework Agreement" in this announcement
"CUCBM"	China United Coalbed Methane Corporation Limited（中聯煤層氣有限責任公司）, a limited liability company

	incorporated in the PRC and an indirect wholly-owned subsidiary of the Company
"Director(s)"	director(s) of the Company
"Extraordinary General Meeting" or "EGM"	the extraordinary general meeting of the Company to be held on 10 December 2025 at 10 a.m. to approve the Non-exempt Continuing Connected Transactions (including the relevant Proposed Caps), or any adjournment thereof
"Group"	the Company and its subsidiaries from time to time
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Share(s)"	the existing ordinary Share(s) which are listed on the Hong Kong Stock Exchange
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Independent Board Committee"	an independent committee of the Board comprising Mr. Qiu Zhi Zhong, Mr. Lin Boqiang, Ms. Li Shuk Yin Edwina and Mr. Chan Chak Ming, the independent non-executive Directors, formed for the purpose of advising the Independent Shareholders in relation to the Non-exempt Continuing Connected Transactions (including the relevant Proposed Caps), with Mr. Qiu Zhi Zhong acting as the chairman
"Independent Financial Adviser" or "Maxa Capital"	Maxa Capital Limited, a corporation licensed under the SFO to carry out Type 1 regulated activities (dealing in securities) and Type 6 regulated activities (advising on corporate finance), the independent financial adviser to the Independent Board Committee and the Independent Shareholders holding the Hong Kong Shares
"Independent Shareholders"	the Shareholders of the Company other than OOGC, CNOOC BVI and their respective Associates
"JLL"	Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent property valuer
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
"NDRC"	the National Development and Reform Commission of the PRC

"Non-exempt Continuing Connected Transactions"	the Continuing Connected Transactions other than those under the categories of "Provision of exploration and support services by CNOOC and/or its Associates to the Group" "Provision of sales, management and ancillary services by CNOOC and/or its Associates to the Group", "Leasing of FPSO vessel by CNOOC and/or its Associates to the Group" and "Provision of management, technical, facilities and ancillary services by the Group to CNOOC and/or its Associates" as set out in the section headed "Continuing Connected Transactions under the Comprehensive Framework Agreement" in this announcement
"OOGC"	Overseas Oil & Gas Corporation, Ltd., a company incorporated in Bermuda with limited liability, a direct wholly-owned subsidiary of CNOOC, the sole shareholder of CNOOC BVI, and a Shareholder directly holding five issued Hong Kong Shares of the Company as at the date of this announcement
"PRC"	the People's Republic of China
"Proposed Cap(s)"	the proposed maximum annual aggregate value(s) for each category of the Continuing Connected Transactions of the Company in respect of 2026 to 2028 as set out in the section headed "Proposed Caps and Rationale" in this announcement
"SSE"	the Shanghai Stock Exchange
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shares"	issued shares of the Company
"Shareholder(s)"	registered holder(s) of the Shares
"%"	per cent

By Order of the Board
CNOOC Limited
Xu Yugao
Joint Company Secretary

Hong Kong, 30 October 2025

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

Non-executive Directors
Zhang Chuanjiang *(Chairman)*
Wang Dehua

Executive Directors
Yan Hongtao
Mu Xiuping

Independent Non-executive Directors
Qiu Zhi Zhong
Lin Boqiang
Li Shuk Yin Edwina
Chan Chak Ming